Daily Report

Latin America

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FBIS-LAT-90-042 *2 March 1990*

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Cuba

Castro Sends Message to Nelson Mandela

FL0103145690 Havana Tele Rebelde Network in Spanish 1415 GMT 1 Mar 90

[Text] South African antiapartheid leader, Nelson Mandela, today received a message from the president of Cuba, Fidel Castro, and an invitation to visit this Latin American country.

The Cuban revolution is a symbol of struggle, Mandela said upon receiving the telegram from the highest leader of Cuba. The message was conveyed by Rafael Lorenzo, Cuban Embassy adviser in Zambia. In his talk with Lorenzo, Mandela referred to Cuba's extensive ties with the African National Congress, ANC. The most outstanding aspect of the Cuban revolution can be seen in its support for the independence and consolidation of Africa, he said. Fidel Castro is a symbol for our people, Mandela said. This was reported by PRENSA LATINA.

Regarding the events in Lusaka, the Cuban president expressed in his message the happiness that he felt when he learned of Mandela's release. Mandela was in prison for 27 years. His freedom is a historic victory, not just for the multiracial people of South Africa, but also for all of humanity, which for more than a quarter of a century has demanded the release of Mandela and his comrades-in-arms, Fidel Castro's message says. The note also expresses the hope that the Pretoria authorities will continue progressing along this path. In conclusion, the note says apartheid is an obsolete system that should be dismantled quickly through negotiations with the ANC and other people's organizations. In this manner, it adds, future bloodshed and the sacrifice of lives would be avoided. The most convenient thing to do, Castro's message says, would be to contribute together and in peace to a democratic, united, and nonracial South Africa.

During his meeting in the Lusaka State House, where Mandela is the guest of honor of the Zambian Government, the Cuban diplomat ratified the unrestricted solidarity of his country in efforts to bring the Pretoria government to the negotiating table. He recalled Cuba's actions toward attaining peace in southern Africa, which were demonstrated in Cuito Cuanavale in southern Angola and in the subsequent application of Resolution 435 for the independence of Namibia on 21 (?May).

U.S. Said To Pressure Human Rights Commission

FL2802224790 Havana Radio Reloj Network in Spanish 2039 GMT 28 Feb 90

[Text] Vice Foreign Minister Raul Roa Kouri rejected today in Geneva the new information on the pressures the United States is exerting at the UN Human Rights Commission to stage a campaign against our country. During a news conference, Roa Kouri released a copy of another confidential Washington document referring to conversations held between U.S. Permanent Representative [to the UN] in Geneva Morris Abram and (John Materson), director of the UN Human Rights Center.

The report confirms that Abram is pressuring the UN official to insist on having the humanitarian commission request a report on Cuba. On the other hand, it shows the views of (Materson), who believes such a report on the allegations made against Cuba is needed but who wants to avoid confrontation.

Like its predecessors, the Bush government is looking for revenge against the Cuban revolution at the UN Human Rights Commission, said Vice Foreign Minister Raul Roa Kouri in Geneva. He noted that the U.S. campaign against Cuba is being carried out in the Western press. This campaign is based on rumors and incorrect actions, such as the misinterpretation of the report submitted by the commission that visited our country in 1988.

Added to this is the information released in Geneva yesterday related to a confidential message sent by U.S. Secretary of State James Baker, who is instructing his embassies in Europe to pressure governments and nongovernmental organizations to obtain support to launch a resolution against Cuba during the current Human Rights Commission meeting.

Robaina Welcomes Returning Internationalists

FL0103032290 Havana Radio Rebelde Network in Spanish 0013 GMT 1 Mar 90

[Text] Cuba will strictly and honestly comply with the agreements regarding the return of its internationalist forces in Angola and will also demand that they are likewise respected by all the sides. This was said by Roberto Robaina, alternate member of the Communist Party of Cuba Politburo and first secretary of the Union of Young Communists.

Robaina spoke at the official ceremony welcoming some 300 Cuban internationalists held at the historic Cacahual Mausoleum. The withdrawal of our troops was resumed with this group after it was temporarily suspended for a month because of the attack of National Union for the Total Independence of Angola counterrevolutionary forces that cost the lives of 10 fellow countrymen who fulfilled missions in Angola. Robaina stressed Cuba's irrevocable decision of not letting any violation of those treaties go unpunished. He noted the scope of the military feat carried out by our combatants in the brother African country.

Fernandez Comments on Relations With Uruguay

FL0103034190 Havana Radio Reloj Network in Spanish 0312 GMT 1 Mar 90

[Text] Jose Ramon Fernandez, vice president of the Councils of State and Ministers of Cuba, said today that relations between Cuba and Uruguay are very good and that they are developing gradually in various fields. Fernandez told PRENSA LATINA that those relations

are within the framework of the Latin American peoples' need to march together and Cuba's willingness to carry out an integration policy in Latin America.

Fernandez, who is also Cuban education minister, arrived in Montevideo as an official guest to the swearing-in of President-elect Luis Alberto Lacalle in Montevideo tomorrow.

Earlier, Lacalle had expressed his intention of strengthening trade links with Cuba. Regarding the future relations with the new Uruguayan administration, Fernandez said the strengthening of relations should be a goal and the objective of all Latin American peoples should be to achieve unity.

Diplomat Views Change in Nation, East Bloc

PA2802143190 Mexico City EXCELSIOR in Spanish 11 Feb 90 pp 10A, 26A

[Interview with Fermin Rodriguez, diplomat and adviser to the Cuban ambassador, by Monica Martin in Mexico City; date not given—all quotation marks as published]

[Text] Fermin Rodriguez, Cuban diplomat and adviser to the Cuban ambassador, has stated that Cuba did not wait for perestroyka to appear before making changes because the "rectification of our errors started long before they appeared and we continue to implement these changes, but within a Marxist-Leninist framework." He has also said that his country's destiny was not like that of East European countries because Cuba's goals were to strengthen the revolution.

Marxism-Leninism is not in crisis, he added, what failed was the interpretation given to it by several countries. "Most problems in East Europe are the result of the poor job done with the people at the basic level by the communist parties there. The communist parties broke their links with the masses; in Cuba it is completely different."

The diplomat was interviewed at his office in the embassy in Mexico and he commented on several aspects of the interview with Spanish President Felipe Gonzalez by EXCELSIOR General Director Regino Diaz Redondo.

Is Cuba afraid of being left alone with the ongoing transformation in the Soviet Union and the East European countries?

Afraid? He had responded with a surprised tone and immediately asserted, "Cuba is not afraid." It is used to living in the midst of difficulties and we know, as we have always known, that we will keep going forward. Furthermore, there is now a national consciousness that we did not have before.

What dangers could result from the winds of change that are blowing in the East?

Cubans, especially Cuban youth, are very concientious about solidarity and have a collective work spirit. They know that to return to a capitalist system would mean the loss of equality and the security they now have. Some East European countries want to change their structure and transform their production and distribution mechanisms to return to capitalism. "We will not do this."

Talking commercially, the disintegration of the East European Socialist countries that belong to CEMA—the socialist countries' trade exchange organization, based on a system of barter—will bring repercussions as products become scarce. However, this is going to oblige us to be more capable and efficient.

In an emotional manner, he stated: In Cuba there is one leader, Fidel Castro. He does not make decisions on his own, but consults on the country's problems, concerns, and needs with a party that has been forged by leaders who are in contact with the masses. It is not true, he added, that Fidel is a man with a negative "personality cult." He lives, coexists, and mingles with the people; there is no separation.

Another important aspect of Cuban life is its relations or nonrelations with the U.S. Government. In addition to the United States' economic blockade and hostilities against Cuba, which have continued for years, Fermin Rodriguez stated that the possibility of a military invasion has recently increased. Such a situation, he said, obliges Cubans to channel resources to the Army. Cuban professionals have to act as military men instead of carrying out their work and investigations. If such a hostile attitude was not present, the budget for militarism would be much less and funds would be used to further the country's development, he said.

Regarding Cuba's links with the Soviet Union, he said that they are contrary to comments issued by certain international spokesmen. Before they used to call us a satellite of the USSR; now they say we are angry and will not follow the instructions of the USSR. So, in the end, he asked, what are we?

It is true that good friendships go through difficulties; we are both independent and sovereign countries and, in many matters, we are not and will not be in agreement. However, problems are solved with cordiality, he said.

What is more, the histories of the Soviet Union and Cuba are completely different. To begin with, in our country there is a racial mixture, and we all feel like Cubans; we do not feel separate like the Armenians or Azerbaijanis.

Fermin Rodriguez stated that the East European and Cuban situations stem from two different processes, two different roots, and two different cultures.

Concluding, he said: In Cuba there are no nationality divisions. We all will struggle to uphold socialism because it has not been imposed, it is based on Cuba's own internal revolution.

Radio Notes Noriega's Family Permitted To Leave

FL0103035590 Havana Radio Reloj Network in Spanish 0318 GMT 1 Mar 90

[Text] The Spanish news agency EFE has reported that the imposed government in Panama today granted safe-conducts for leaving the country to the family of deposed General Manuel Antonio Noriega and several of his collaborators. According to a Panamanian Foreign Ministry message received at the Cuban Embassy, Noriega's wife and their three daughters, who sought refuge at the embassy, will be able to leave the country.

Several military and civilian collaborators of the former Panamanian Government, who are at the embassies of Peru and Ecuador, also received safe-conducts, said EFE. Only four people were denied permits to leave Panama. Among them is Captain Asuncion Eliezer Gaitan, chief of Manuel Antonio Noriega's bodyguards, who sought refuge at the Apostolic Nunciature and had asked Spain for political asylum.

Measures Taken To Sanction Price Violations

FL0203005090 Havana Radio Rebelde Network in Spanish 0016 GMT 2 Mar 90

[Text] The Attorney General's Office and the State Committee for Prices coordinated today actions aimed at strengthening the ways to deal with price and rate violations in retail stores, restaurants, and other services provided to the population. A resolution of the Council of Ministers Executive Committee that provides for salary sanctions for violations committed in that area will be in effect soon.

PCC, Minfar Commission Visit Granma Province

FL2802143190 Havana Radio Rebelde Network in Spanish 1025 GMT 28 Feb 90

[Telephone report by Jorge Luis Batista from Granma Province from the "Haciendo Radio" program—live]

[Text] Today is the penultimate day of the working visit made by the Military Department of the Central Committee of the Communist Party of Cuba [PCC] and the Ministry of the Revolutionary Armed Forces [Minfar] to Granma. The firm willingness of the people of Granma to make production and defense a reality and to successfully confront the tasks set forth by the PCC, the revolution, and Fidel has been seen during this visit.

The commission is headed by Colonel Cesar Hernandez, who, in remarks to the provincial press, stressed the enthusiasm with which the people of Granma work to increase their military training and to strengthen production to sustain and advance the country's development. Col. Hernandez also gave his assessment of the basic study material.

[Begin Hernandez recording] We have seen progress in the basic material. There is progress. This doesn't mean that everything has been resolved, as we have seen, but of course we have seen progress in our visit to the interior. [end recording]

Yesterday, the members of the Military Department of the PCC Central Committee and Minfar observed the status of defense tasks in Bayamo and Niquero Municipalities, thus making the number of municipalities visited amount to four. On the first day of the visit, the commission members began their work in Campechuela and Guisa Municipalities.

Today, the commission expects to work in Buey Arriba and Manzanillo Municipalities. While in Manzanillo, a new electronic shooting range and a naval training center will be inaugurated, which will increase the quality of training so the people of Manzanillo will be ready for the war of all the peoples.

Minint Forces Join Agricultural Activities

FL0203015890 Havana Television Service in Spanish 0100 GMT 2 Mar 90

[Text] Once again, the Interior Ministry [Minint] joins in the task in response to the call made by the party and our commander in chief to support agricultural tasks to improve the population's nutrition. The Minint battalion supporting the foodstuffs program was awarded a banner during a simple ceremony. The event took place in the Alquizar Municipality where over 300 members of this institution, including chiefs, officers, and civilian workers, will work in agricultural activities in this productive Havana Province area. The ceremony was presided over by Eduardo Gutierrez Chirino, first secretary of the party in Alquizar Municipality; Minint and Revolutionary Armed Forces chiefs, and other leaders of this territory's political and mass organizations.

The new generation extended greetings and these combatants made honorable commitments. They will leave their regular activities for 60 days to carry out the mission assigned by the party and Fidel with enthusiasm. Lieutenant Colonel Antonio Garcia Rodriguez, from the Minint Political Directorate, noted to the forces that will participate in the agricultural activities the importance the success of [words indistinct] has for the country.

Havana PCC Assesses 1989 Mercantile Production

FL2802135690 Havana Tele Rebelde Network in Spanish 1200 GMT 28 Feb 90

[Text] The eighth plenum of the Communist Party of Cuba [PCC] in Havana City Province has approved a resolution calling on all political and social organizations to confront difficulties and fulfill plans. It also called for the capital's enterprises to work under the condition known as a special period during peace time on 15 March as an immediate response to the calling of the Fourth PCC Congress. The resolution notes the need to accentuate economic measures on all fronts to get the greatest use out of and recover raw material and its

byproducts. In this regard, the participants were able to observe a sample of the products manufactured by Havana industries with new limited resources.

The eighth plenum of the Havana City PCC also assessed 1989 mercantile production, which was similar to previous years, even though fewer material supplies were available. The plenum also analyzed the fulfillments and possibilities in the production of tires, wheat, and beer, as well as the favorable results from the mini-brigade movement, the Construction Ministry delegation, and the Blas Roca Contingent.

[Begin Havana City PCC First Secretary Jorge Lezcano recording]We are convinced of one thing: Our people are capable of doing it. They are capable of attaining this miracle. They are capable of resisting, winning, working under the conditions we need, just like they are capable of earning the honor of hosting the 26 July ceremony in the capital. [applause] [end recording]

SRV Confers Medals on Communications Workers

FL0203022690 Havana Television Service in Spanish 0100 GMT 2 Mar 90

[Text] The Work Order and the Friendship Medal of the SRV have been conferred to a collective and six Cuban communications workers for their contribution to the construction of a telecommunications network between Hanoi and Da Nang.

The long-distance telephone enterprise and comrades Manuel Castillo Rabasa, minister of communications; Pedro Guelmes Gonzalez; [first name indistinct] Concepcion Rodriguez; Jose Hidalgo Gato Bello; Angel Saavedra Perez; and Francisco Capote Baras received the awards.

The project that merited such awards began in 1983. The project basically used all the microwave equipment left by U.S. troops after their defeat in Vietnam. The installation of that microwave trunk network, which stretches out to over 700 km, forms part of an economic and scientific-technical cooperation agreement between Cuba and Vietnam.

Antonio Rodriguez Maurell, vice president of the Council of Ministers; and Do Van Tai, SRV ambassador to Cuba, attended the ceremony.

Dominican Republic

Candidates Chosen, Registered for Elections

PRSC Running Mate Registered

FL0103195190 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 1 Mar 90

[Text] Engineer Carlos Morales Troncoso was again chosen as Doctor Joaquin Balaguer's running mate in the race for the presidency and vice presidency of the Republic in the 16 May elections. This information was released after 2300 hours [0300 GMT] by Secretary of the Presidency Rafael Bello Andino after he had met with President Joaquin Balaguer, accompanied by the Administrative Secretary of the Presidency Luis Toral Cordova, Under Secretary (Cristobal Marte), and other PRSC [Social Christian Reformist Party] leaders.

At 2345 hours, a commission led by PRSC Organization Secretary Luis Toral went to the Central Electoral Board [JCE] to register Carlos Morales Troncoso as the ruling party's candidate for vice president of the Republic. Previously, when he signed the document that was deposited at the JCE, Carlos Morales Troncoso stated that he was satisfied with Dr. Joaquin Balaguer's decision and promised to continue to work to achieve a win for the PRSC in the coming elections.

PRD Running Mates Chosen

FL0103195490 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 1 Mar 90

[Text] Doctor Jose Francisco Pena Gomez has chosen Hipolito Mejia as his running mate for the Dominican Revolutionary Party, PRD, in the coming elections. Jose Rodriguez Soldevila was also selected as candidate for senator for the National District, Johnny Ventura for mayor, and (Rafael Soberbi Bonilla), currently mayor of Santo Domingo, was chosen for first deputy. Pena Gomez's decision was made yesterday during the registration of candidates with the Central Electoral Board. (Rafael Siquito Vazquez), Fabio Ruiz, Rafael Reyes, and Jesus Maria Martinez, among others, were also chosen as Pena Gomez's running mates on the PRD ballot.

PRI, PRD Register Candidates

FL0103195590 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 1 Mar 90

[Text] The Independent Revolutionary Party, PRI, registered Jacobo Majluta as its candidate for president and (Arturo Martinez Noya) as vice president. PRI President (Arturo Martinez Noya) appeared with Jose Ovalle and other PRI leaders to register their congressional, presidential, and vice-presidential candidates.

Lastly, several members of the Dominican Revolutionary Party, PRD, including Deputy Hatuey Decamps, handed in the PRD's nominations for electoral posts.

PLD Registers Candidates

FL0103195390 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 1 Mar 90

[Text] The Dominican Liberation Party, PLD, has registered with the Central Electoral Board [JCE] its candidates for electoral office in the 16 May general elections.

Professor Juan Bosch was registered as the PLD presidential candidate and Santiago businessman Jose Francisco Hernandez as vice president. The PLD also registered its candidates for congressional posts for the 29 provinces and the National District. PLD Secretary General Lidio Cadet, (Jose Joaquin Bido Medina), Danilo Medina, and Felix Jimenez delivered to the JCE the documents containing the party's candidates.

* CND Approves 6.52 Billion Peso Budget

90EM0084A Santo Domingo LISTIN DIARIO in Spanish 27 Dec 89 pp 1, 16

[Article by Geraldino Gonzalez]

[Text] The 1990 Revenues and Expenditures Budget bill was approved yesterday by the CND [National Development Council] in the amount of 6,520,044,645 pesos.

The bill was approved during a half-hour meeting held in the Presidential Cabinet Room on the third floor of the Palacio Nacional and chaired by President Joaquin Balaguer.

Current operating expenses are to absorb 3,341.2 million pesos, or 51 percent, of the approved total. The remaining 3,178.8 million, or 49 percent, are allocated to investments and capital spending.

The present bill exceeds the current year's budget of 6,358,375,696 pesos by 161.7 million pesos.

A report submitted to the members of the Cabinet by the technical secretary of the Presidency, lawyer Robert Martinez Villanueva, states that the bill as drawn up takes into account the fact that the coming year will be an election year, in which revenues tend to diminish.

Irrigation is among the major items provided for in the bill, in the amount of 850.1 million pesos, while a total of 612.7 million is allocated to the agricultural and livestock sector and to fishing.

Allocations to the public health sector total 608.1 million, and to education 580.1 million.

The transportation and secondary roads sector is allotted 515.8 million pesos, national defense 348.9 million, and the general administration area 345.9 million.

The bill allocates to the justice and public order sector 262.8 million pesos, and to energy 223.2 million.

To the Secretariat of Finance it allocates 1,610.9 million; to the Central Board of Elections 33.0 million; and to Public Works 228.4 million.

And to the Secretariat of Armed Forces it allocates 441 million; to Foreign Relations 46.9 million; to the Secretariat of Sports 18.6 million; to Labor 9.8 million; to Industry and Commerce 16.0 million; to Tourism 18.3 million; and to the Office of the Attorney General of the Republic 23.6 million.

The document submitted by Martinez Villanueva states that the austerity and planning criteria defined by President Balaguer have been taken into consideration.

Following is the text of the budget bill:

To: The Members of the National Development Council and Special Guests of this working session.

Gentlemen:

We submit herewith for consideration by the National Development Council the proposed bill for enactment of the 1990 Revenues and Public Spending Budget Act. This proposed bill has been drawn up in conformity with the austerity and conservative public spending policies His Excellency the President of the Republic, Dr Joaquin Balaguer, has been effectuating.

The bill we hereby submit totals six billion five hundred twenty million forty four thousand six hundred forty five (6,520,044,645) pesos. This represents an increase of 161.7 million pesos with respect to the 1989 budget, which totaled six billion three hundred fifty eight million, three hundred seventy five thousand, six hundred ninety six (6,358,375,696) pesos.

As can be seen, revenues for 1990 have been estimated conservatively, and with due regard for the fact that 1990 will be an election year, in which, experience has shown us, the revenue growth of the last several fiscal years will be considerably slowed.

Funding under the proposed 1990 budget, by categories, is distributed as follows:

Category	Total Pesos
General Fund	4,570,723,340
Special Funds	258,653,035
External Resources	1,690,668,270
Total	6,520,044,645

Of the sum total of 6.52 billion pesos, 3,341.2 million, or 51 percent, are allocated to Current Operating Expenditures, and 3,178.8 million, or 49 percent, to Capital Expenditures.

The Current Operating Expenditures total of 3,341.2 million pesos has been allocated as follows: Central Government Operating Expenses 1,917.8 million; Contributions to Public and Private Sectors 642.4 million; and Foreign Debt Service 540.3 million.

Following are the major contributions to current operating expenses:

Item	Million Pesos
City halls	170.9
Civil and military pensions	130.0
Autonomous University of Santo Domingo	66.5

Item	Million Pesos
Subsidies (including private universities)	64.4
Dominican Agrarian Institute	43.0
National Institute for Water Resources	29.0
Dominican Social Security Institute	21.4
Total	525.2

The Capital Expenditures total of 3,178.8 million pesos is distributed as follows: Capital contributions to institutions and public sector enterprises 1,536.8 million; amortization of foreign debt 742.6 million; and agricultural planting and construction projects 556.7 million.

One of the Administration's objectives is to settle, under the 1990 budget, all of its outstanding obligations to third parties: To this effect, the sum of 1,644.1 million pesos has been allocated to amortization, interest payments, commissions, and other charges relative to the country's domestic, foreign, and administrative debts. The latter—that is, administrative debt—consists of the accrued obligations incurred in prior years by the various governmental offices, in connection with salaries, rents, commercial invoices, etc.

Major items under capital contributions consist of the following:

Item	Million Pesos
National Institute for Water Resources	821.1
Dominican Electric Power Corporation	221.3
Banco Agricola	148.4
State Sugar Board	146.3
Special Farming and Livestock Development Fund	94.1
Dominican Agrarian Institute	62.1
Total	1,493.3

The 1990 Operating Expenses budget is distributed as follows:

Item	Million Pesos	% of Total
Economic services	2,382.0	37.0
Social services	1,656.6	25.0
Financial services	1,476.8	23.0
General services	1,004.6	15.0
Total	6,520.0	100.0

Major items comprising these services are:

Item	Million Pesos
Irrigation	850.1
Farming and livestock, and fishing	612.7
Health care	608.1
Education	580.0
Transportation and secondary roads	515.8
National defense	348.9
General administration	345.9
Justice and public order	262.8
Energy	223.2
Total	4,347.5

A comparison of these figures shows that, if to the 850.1 million pesos allocated to irrigation operations (which benefit farming) we add the 612.7 million pesos allocated to the farming and livestock [and fishing] sector, thus totaling 1,462.8 million pesos, that sector is clearly the one on which the greatest emphasis is being placed in 1990, from the standpoint of public spending. In this respect, it is followed, as to volume of spending, by health care and education.

By Secretariats and Funds, the distribution of the proposed 1990 budget is as follows:

Million Pesos					
		General Fund	Special Funds	External Resources	Totals
101	National Congress	18.7	—	—	18.7
201	Presidency	199.9	10.2	101.5	311.6
202	Interior and Police	219.9	179.2	—	399.1
203	Armed Forces	441.5	—	—	441.5
204	Foreign Relations	46.9	—	—	46.9
205	Finance	1,610.9	33.4	204.4	1,848.7
206	Education	539.0	—	1.3	540.3
207	Public Health	538.4	8.6	102.3	649.3
208	Sports	18.6	21.6	—	40.2
209	Labor	9.8	—	—	9.8
210	Agriculture	568.8	—	998.7	1,567.5
211	Public Works	228.4	4.1	282.5	515.0

Million Pesos					
		General	Special	External	
		Fund	Funds	Resources	Totals
212	Industry and Commerce	16.0	0.4	—	16.4
213	Tourism	18.3	—	—	18.3
214	Attorney General	23.6	—	—	23.6
301	Judiciary	37.2	1.1	—	38.3
401	Central Board of Elections	33.0	—	—	33.0
402	General Accounting Office	1.8	—	—	1.8
	Total	4,570.7	258.6	1,690.7	6,520.0

It is to the point to note that the distribution of spending for 1990, as shown in the foregoing table, has been based on an assessment of the country's social and economic needs, but also on the austerity and planning criteria His Excellency the President of the Republic has defined. Hence, the eminence of the values proposed for the Secretariats of: Finance (1,848.7) for payment of the debt; Agriculture (1,567.5); Public Health (649.3); and Education (540).

Thus, the budget we hereby submit today to the National Development Council represents a realistic approach to development that will enable the government to accomplish its basic mission, which is to lead the Dominican people toward goals of economic and social development. We therefore request the members of this honorable Council to approve it.

Thank you.

Juan Esteban Hernandez, National Budget Director

* Senate Passes Budget, House To Act

90EM0084C Santo Domingo LISTIN DIARIO in Spanish 12 Jan 90 p 3

[Article by Hector Luzon]

[Text] The Senate passed the Revenues and Expenditures Budget bill yesterday, at its second reading, without introducing modifications, and amid criticism voiced by some legislators.

The bill, which was introduced in Congress in December of the year just ended, will now go to the Chamber of Deputies for action.

In yesterday's session, Senator Jacinto Peynado, who presided the joint [Senate and Chamber] committee that studied the bill—totaling 6.52 billion pesos—pointed out that the bill had been reported out of committee lacking a second part, so that, according to him, only the technical part was read.

Nevertheless, the committee report, which set forth the need to augment the budget by more than 78 million pesos in order to satisfy the funding requests submitted by various institutions, was rejected by a vote of 15 senators.

Two PLD [Dominican Liberation Party] senators, Laureano Guerrero Sanchez and Daniel Mejia, voted against the bill at its first reading, while PRD [Dominican Revolutionary Party] Senator Emilio Herasme Pena, of Bahoruco Province, withdrew prior to the voting.

PR [Radical Party] Senator Peynado of Distrito Nacional, abstained from the voting, presumably in support of the report submitted by the committee which he headed and which studied the bill over a period of some two weeks.

The increase recommended by the committee, which would have modified the bill, consisted essentially of increases in appropriations to the Central Board of Elections, the Sierra Plan, and the Secretariat for Tourism.

PRSC [Christian Social Revolutionary Party] Senator Abigail Cruz Infante, of Espaillat, again criticized the bill sent to the Congress by the Executive Branch, saying that the joint committee's work had been a waste of time.

* Revenues Underestimated by 2.5 Billion Pesos

90EM0084B Santo Domingo EL NACIONAL in Spanish 27 Dec 89 p 5

[Article by Pedro Caba]

[Text] The Administration has underestimated the proposed national budget for 1990 by more than 2.5 billion pesos, most of which will thus be available to the president, Dr Joaquin Balaguer, for implementation of his public investments program.

This finding has been made by economists Isidoro Santana and Leonardo Conde.

Santana, of the Center for Research and Applied Economics, and Miguel Ceara Hatton, of the Center for Economic Research, have stated that both these centers will release evaluations of the budget bill within the next several hours.

Santana says that this year's actual budget totaled over 7.1 billion pesos, which would indicate that even with respect to this year's actual results, the 1990 budget bill is underestimated by some 600 million pesos.

"It's a pity that a developmental vehicle of such importance should be handled in this manner," says Dr Conde.

Santana had previously estimated that as a natural result of inflation, capital gains would necessarily yield higher tax revenues to the tax collector, and that this budgetary figure alone should increase the Administration's revenues in the coming fiscal year.

The budget bill approved by the National Development Council in yesterday's session, totaling 6.52 billion pesos for 1990, represent an increment of only 161.7 million pesos over the 1989 budget currently in effect.

In the report delivered to the National Development Council by the Administration last evening, the Administration's planned subsidies to developmental entities present a stark picture.

The largest of these capital grants are to go, in the following amounts, to: The National Institute for Water Resources, 821.1 million pesos; Dominican Electric Power Corporation [CDE], 221.3 million; Banco Agricola, 148.8 million; National Sugar Board [CEA], 146.3 million; Special Fund for Farming and Livestock Development, 94.1 million; and the Dominican Agrarian Institute, 62.1 million pesos.

These figures reveal the extent of the operating deficits these institutions have accrued, institutions such as the CDE, CEA, and Banco Agricola, which, by definition, are supposed to operate on a self-funding basis, by reinvesting the earnings they are expected to generate.

The economists consulted agree that Administration revenues next year could well exceed 8 billion pesos.

* 1989 GDP Growth At 3.8 Percent

90EM0084E Santo Domingo EL SIGLO (Economic Supplement) in Spanish 5 Jan 90 p 3-D

[Article by Jose Mercedes Feliz]

[Text] The GDP [gross domestic product] rose 3.8 percent, from 3,590.3 million pesos in 1988 to 3,727.3 million pesos in 1989, at constant 1970 prices, according to a study by a firm of private consultants.

The study finds that the construction sector was the economy's prime mover, with a growth of 14.1 percent. Actually, the highest growth among the sectors was posted by communications, which rose 15.8 percent, but which represents only 1.8 percent of the country's total product.

The financial sector, for its part, grew 11.7 percent. On the other hand, the governmental administration sector, which grew 18 percent in 1988, posted a rise of only 3 percent in 1989.

Similarly, the manufacturing sector, which represents the largest share—16 percent—of the GDP, rose only 1.8 percent, after dropping more than 4 percent in 1988, owing in large part to the energy crisis.

The report on "Evolution of the Dominican Economy in 1989 and Outlook for 1990," which has been released to businessmen, estimates that energy problems have resulted in losses of around 100.0 million pesos, or approximately 3 percent of GDP. The energy sector had a negative growth of 8.3 percent in 1988, the largest drop registered by any sector last year.

The report finds that the negative results posted by the other productive sectors were also significant. According to the official figures, farming and livestock grew at a rate of only 2.8 percent, and mining only 3.5 percent, precluding its recovery from its 7.0-percent slump in 1988.

Public-Sector Finances

The foreign currency account managed by the Presidency of the Republic, to which Falconbridge and the amounts collected by the consulates are the principal contributors, had 1989 revenues totaling approximately $148.0 million, equivalent to 940.0 million pesos.

These revenues were absorbed principally by the government's public investments program, and to a lesser extent by subsidies to governmental agencies such as the CDE [Dominican Electric Power Corporation].

In 1989, the deficits of the CEA [State Sugar Council], Inespre [National Institute of Price Stabilization], CDE, and Corde [Dominican Corporation of State Enterprises] totaled 697.4 million pesos, not including deficits hidden by overfunding of the Banco de Reservas and some state enterprises.

The report cites that the CEA had a deficit of 147.5 million, the CDE 439.3 million, Inespre 101.7 million, and Corde 8.9 million pesos.

Monetary Situation

The private firm's study, which is being circulated in "confidential" form, finds that the money supply in circulation ended 1989 at the level of around 4,900.0 million pesos as compared to 4,530.8 million in 1988, or up 8 percent over that preceding period.

Basically, the report states, growth of the money supply was limited to this figure by the Central Bank's retention of more than 450.0 million pesos in prepayments for international letters of credit in the private sector, as a consequence of the collapse of the Foreign Exchange Recovery System. Absent the contraction introduced by this factor, affecting the private sector alone, the money supply would have grown by around 20 percent.

New money issued as of the end of 1989 totaled 4,000.0 million pesos, as compared to 3,881.7 million pesos in 1988.

* 1989 Characterized by Stagnation, Inflation

90EM0084D Santo Domingo EL SIGLO (Economic Supplement) in Spanish 5 Jan 90 p 1-D

[Article by Jose Mercedes Feliz]

[Text] The year 1989 was another period characterized by stagnation in the productive sectors and by high inflation rates, according to a private study released this week.

The official inflation rate attained around 50 percent in 1989, versus approximately 44 percent in 1988. This rise was owing to the incremental demand generated by massive issues of new money, the devaluation, and production shortfalls.

According to a report titled "Evolution of the Dominican Economy in 1989 and Outlook for 1990," compiled by a private firm of consultants headed by a former official in the export sector of past Administrations, and commissioned by businessmen for their "confidential" use, the inflation rate rose during the January-June period, from 44 percent in January to 53 percent in June.

The report states that the rate began a slight decline in July to 48 percent in October, then rose to 50 percent in December.

Dominican Republic Economic Variables—1988-1989

			Variation	
	1988	1989	Absolute	Relative
Item	(Million Pesos)	(Million Pesos)	(Million Pesos)	(Percent)
1. Gross Domestic Product	3,590.3	3,727.3	137.0	3.8
Farming & Livestock	559.0	571.7	12.7	2.3
Mining	140.2	145.1	4.9	3.5
Manufacturing	587.9	598.6	10.7	1.8
Construction	325.1	370.9	45.8	14.1
Trade	535.5	546.2	10.7	2.0
Transportation	215.0	219.7	4.7	2.2
Communications	58.7	68.6	9.9	16.9
Electricity	67.1	61.5	-5.6	-8.3
Finance	174.2	194.6	20.4	11.7
Government	371.3	382.4	11.1	3.0
Other	556.3	568.0	11.7	2.1
2. Inflation rate (Percent)	44.4	50.5		
3. Exchange rate per dollar	6.4	7.9		23.2
4. Balance of Payments				
**Total Exports	889.7	903.2	13.5	1.5
Sugar	161.6	191.0	29.4	18.2
Coffee	66.5	59.5	-7.0	-10.5
Cacao	69.9	44.0	-25.9	-37.1
Tobacco	24.1	15.9	-8.2	-34.0
Ferronickel	308.8	352.9	44.1	14.3
Dore	98.1	69.3	-28.8	-29.4
Bauxite	1.7	0.6	-1.1	-64.7
Other products	159.0	170.0	11.0	6.9
**Total Imports	1,608.0	1 929.0	321.0	20.0
Oil	333.0	06.7	73.7	22.1
Coal	9.3	23.4	14.1	151.6
Inespre*	48.9	67.7	18.8	38.4
Dominican mills	34.9	39.9	5.0	14.3
Other	1,181.9	1,391.3	209.4	17.7
**Trade Balance (X-M)	-718.3	-1,025.8	-307.5	-42.8

Dominican Republic Economic Variables—1988-1989

			Variation	
	1988	1989	Absolute	Relative
Item	(Million Pesos)	(Million Pesos)	(Million Pesos)	(Percent)
**Revenues from Services	860.6	964.1	103.5	12.O
Tourism	616.0	675.1	59.1	9.6
Other Services	244.6	289.0	44.4	18.2
**Outpayments for Services	692.8	640.0	-52.8	-7.6
**Services Balance	167.8	324.1	156.3	93.1
**Net Transfers	419.2	416.0	-3.2	-0.8
**Current Balance of Payments	-131.3	-285.7	-154.4	-117.6

*National Institute of Price Stabilization

**In millions of dollars

Housing underwent the sharpest price rise in 1989, despite the rent freeze decreed by the administration during the latter half of the year. Food, beverages, tobacco, clothing, footwear, and accessories all registered substantial price rises.

Impact on Dynamic Sectors

During 1989, according to the report, not only was there a worsening of the economic crisis that is buffeting the country, but the economic model imposed by the government also had the effect of introducing constraints and limitations on the economy's few dynamic areas, such as tourism and customs-free trade zones.

The private consultants describe 1989 as another period of economic stagnation in the productive sectors, accompanied by high inflation rates, and cited it as a period that bears out definitively an economic model's inability to guarantee sustained growth, when that model is based exclusively on an aggressive program of public-sector investments which totally subordinates all other economic policy objectives to this one consideration.

Currency Exchange Rate

The study states that the dollar exchange rate remained stable during the first half of the year owing to the success of the Foreign Currency Repayment System, but rose sharply towards the end of 1989, as cause and effect of the system's collapse.

It specifies that towards June 1988 the differential between the official rate and the "parallel market" rate remained steady around 6 percent, or 40 points. In November, however, this differential reached 40 percent, when the "parallel market" rate rose to over 9.00 pesos per dollar.

At present, the rate is in a state of continual fluctuation, with a floor at 8.30 pesos per dollar. The country is expecting the Central Bank to issue new measures that will affect the exchange rate.

External Sector

The study by the firm of consultants points out that the country's balance of payment problems worsened severely in 1989, especially as regards its trade balance, owing to its near-zero growth of exports and substantial rise of imports.

Trade with the rest of the world, it finds, produced a trade deficit of $1,025.8 million, up considerably over its 1988 deficit of $718.3 million.

Exports increased only 1.5 percent with respect to 1988; that is, to an estimated total of $903.2 million, versus $889.7 million in 1988.

Most of the country's export revenues came from ferronickel exports, which represented around 39 percent of the total. Sugar exports rose by $29.4 million in 1989, while dore, coffee, and cacao exports diminished with respect to 1988.

Exports from customs-free zones—which are considered separately from the rest of the export sector and which are classified as a service to the country's balance of payments—totaled $580.0 million, resulting in net foreign exchange revenues on the order of $180 million, up 38 percent in 1989 over the 1988 figure of $130.0 million.

Imports, on the other hand, increased considerably during the year, from $1,608.0 million in 1988 to $1,929.0 million in 1989, a rise of 20 percent.

Oil imports, moreover, which represent 21 percent of the country's total imports, rose approximately 22 percent, from $333.0 million in 1988 to $406.7 million in 1989.

Services, for their part, the study points out, posted a positive balance of 324.1 million in 1989. Tourism was the biggest generator of foreign exchange, with a positive balance of $675.1 million, representing approximately 70 percent of the country's total foreign exchange revenues.

* Electricity Shortage Continues Unabated

90EM0084F Santo Domingo EL NACIONAL in Spanish 8 Jan 90 p 5

[Article by Jose Maria Hernandez]

[Text] With blackouts lasting up to 22 hours at a stretch in some areas of the country, the electric power system is again heading for a total breakdown, as a result of a power-generating capacity shortage bordering on half a million kilowatts.

The energy crisis could not be more acute. No sooner did the CDE [Dominican Electric Power Corporation] manage to restore the Itabo 1 plant to service within the system, than the main Haina unit, its number 5, broke down, reducing that installation's total output to 50,000 kilowatts, of the 362,700 kilowatts it should be generating.

Also shut down are Falconbridge, Haina 2, and the Wartsilia plant, which the government leases from a Finnish firm. The CDE hopes to restore this thermoelectric unit to service during the night.

The instability of the electric power system is expected to compel the CDE to modify the preventive maintenance program it instituted last weekend with Itabo 1.

With the restoration of Itabo 1, plans had called for shutting down Haina 3 for maintenance; but on Saturday, Haina 2 broke down; and yesterday, Haina 5 broke down. This will preclude taking the Haina 3 thermoelectric unit out of service in the immediate future.

Electrical energy output to the network this morning totaled 378,000 kilowatts, produced by the two Itabo units, two Haina units, Santo Domingo 8, Puerto Plata 2, and El Timbeque 1, plus 9 hydroelectric plants.

All of the CDE's plants, including the two at Itabo, were operating below their rated capacity this morning as a result of their deteriorated condition and, in the case of the hydroelectric plants, the low levels of their reservoirs. Ten other thermoelectric and diesel-powered generating plants have been kept shut down for some time now by the CDE.

CDE engineers are concerned that, if the crisis continues, a general blackout could occur at any moment now, at times when factory and office demands increase the load being placed on the plants currently in service.

Since Saturday evening, some sectors of the capital have been experiencing blackouts lasting up to 22 hours at a stretch.

The districts at the high end of the capital awoke to total power outages yesterday morning and were without electric power until 2 pm, when service was restored until 5 pm.

Similar blackouts are occurring in Villa Mella, Sabana Perdida, Santa Cruz, Guaricano, Los Minas, Los Mameyes, Villa Duarte, Simon Bolivar, Capotillo, Luperon, Las Canitas, Gualey, La Zurza, Cristo Rey, Villas Agricolas, and the La Fe and Kennedy developments, among others.

Power is being cut off for periods of more than 10 hours at a stretch in Nac>, Arroyo Hondo, Los Restauradores, Mirador Sur, Herrera, Las Palmas, Los Alcarrizos, and other parts of the capital's western zone.

The Brea Pena network reported today that it has reached an agreement to pay the 2 million pesos or so that it owes the CDE.

CDE shut off the power to the Radio Comercial, Radio Vision, Radio Recuerdos, Comercial 95, and Super Rock transmitters last Friday, but restored it at noon on Saturday.

The state electrical power enterprise also threatened to shut off power to other radio and television stations, as well as to public- and private-sector firms whose energy bill payments are in arrears.

Haiti

CEP Suspends BED's Installation Indefinitely

FL0103171390 Port-au-Prince Radio Nationale in Creole 1400 GMT 1 Mar 90

[Text] The president of the Permanent Electoral Council [CEP], Dr. Louis Antoine Auguste, has sent the press a communique dated 28 February. The CEP's management council has decided to suspend, until further notice, the installation of the Departmental Electoral Bureaus [BED's] to allow the CEP to better examine how well-founded are the population's complaints about the credibility of certain BED members proposed, and certain appointments made at the CEP's central office.

This initiative is new proof of the management council's consistent concern with respecting the rules of the democratic game regarding very important decisions. This concern was reiterated in our 14 February letter in answer to the ANDP [National Alliance for Democracy and Progress], confirmed once again in our 16 February declaration of principles, and reaffirmed by our communique of 23 February announcing the installation of the BED's—an installation that was decided by the CEP on 22 February. We had all met as a council and reached that decision on 22 February, says the CEP.

Therefore, the CEP invites the three CEP members who signed the declaration of 26 February—in which these members say they have decided to stop their activities in connection with the organization of the coming elections—to come join the rest of the CEP to examine the situation and set forth the CEP's position, in conformity with aforementioned principles of democratic functioning.

Dr. Louis Antoine Auguste, CEP president, speaking for the CEP's management council, asks the three other members of the CEP to come sit down at the negotiating table to reexamine the situation.

We obtained this news from the CEP, whose headquarters is on Pavee Street.

Reaction to CEP Members' Decision on Elections

FL0103193690 Port-au-Prince Radio Antilles Internationales in French 1820 GMT 28 Feb 90

[Passages within quotation marks recorded, in Creole]

[Excerpts] [Announcer] Three members of the management council of the Permanent Electoral Council [CEP] have asked their colleagues to stop their activities, to avoid a repetition of the 29 November [1987] or 17 January [1988] elections. Following this decision, members of political and union sectors applauded the courage of these three CEP members, who they say have finally, like themselves, realized that the current climate in Haiti is not propitious to holding elections.

Sylvio C. Claude of the Haitian Christian Democratic Party [PDCH] says he would like to see the six other members of the CEP also return to reason.

[Claude] "The reason I salute the gesture is because, at the last minute, they say in their note that they do not want to be accomplices to this misfortune menacing the Haitian people. I would like to ask Haitians, political leaders, to understand these men's position and support them and more than ever....[changes thought] Because now, I do not think that, except for macoutes [rephrases] the other macoutes....[changes thought] Everyone has clearly seen that Avril cannot handle the situation to the point where the ANDP [National Alliance for Democracy and Progress] has asked that he resign. Things have come to the point where there is nothing he can do Now, we have to support those three men. And I ask any other serious, conscientious men on that council to do as these three men have done because if they do not, they will (?be thrown) in the water. Even Avril's men inside-....[changes thought] Because according to my information, they outright....[rephrases] they say publicly, within the CEP....[changes thought] They even fight. One even (?feels) like punching the other, because the men [not further identified] say they do not want the election to be held the way they [not further identified] want, so that Avril can be president and so forth, so that Volvick [Dr. Volvick Remy Joseph, head of the National Cooperative Action Movement, MKN] can be president, so that....[changes thought] I mean, they have even already chosen the deputies. They have appointed deputies, as well as magistrates.

"They [not further identified] have set up a structure to have the macoutes, the Duvalierists, stay in power to have the system remain. Therefore, this is why we must support these three men, for we know they are in danger. The minute they took that position, they placed themselves in danger. They [not further identified] will look for a way to eliminate them physically. They will send alleged thieves to the three men's homes so these alleged thieves can eliminate them. Therefore, the people must support the three men.

"Now, here is what I have to say to the Haitian people: Every day Avril remains in power, the nation will sink deeper and deeper. Poverty will worsen. More and more people will die with every day Avril remains in power because he has made a plan. He has said that he feels he might go but that before he goes, he will assassinate everyone who caused him the problems that obliged him to leave. I mean, this is serious. Thus, I say to the people: The ball is in your court. Political leaders have taken their stands. They have said everything they needed to say. Now you must decide what you are going to do. If political leaders launch such or such a movement, you had better not just sit there, one little group or another, saying you will not go along with it because it (?isn't particularly in your interests). We are now in a situation where the Haitian people must put in their word. Because the political leaders can talk, can denounce, can state. The population, however, must accept the watchword given so things can work, because I do not think Avril can persevere for more than five or six days longer."

[Unidentified reporter] "What alternative do you have for replacing Prosper Avril?"

[Claude] [passage omitted] "Personally, my position is a constitutional position. [passage omitted] I had said that Avril should be replaced by the Court of Cassation. That is what I had said, and I think that is the solution everyone can accept. [passage omitted] There is another reason for this: In our current situation we cannot forget about the Army. [passage omitted] That is why I think the Court of Cassation is the best idea. [passage omitted]

"Because the Constitution provides for the head of the Court of Cassation to replace the government when there is a vacancy, I think everyone would be willing to accept it. I mean, no one is going to be able to say: Yes, the Court of Cassation is pro-Sylvio Claude, or pro-Bazin, or pro-PUCH [Unified Party of Haitian Communists]. No, on the contrary, you would be more justified in saying they are pro-Avril for it is Avril who put them there. And if the court is pro-Avril, that means it is not going to do anything for either me or PUCH or Bazin. On the contrary, we are going to support those people, support the president of the Court of Cassation, if that is who it is. We will support him and (?provide to make him do things correctly.

"Because I am a democrat, if a majority were to choose some other alternative, Sylvio Claude will go along with it. I can, however, tell them that there is a danger in any other than the Court of Cassation's being handed power."

[Reporter] "In conclusion, Rev. Claude, the ANDP, which is composed of three political parties, is asking for General Avril to resign; and there is even talk of a huge demonstration they are allegedly planning to hold. Do you support this idea of holding a demonstration?"

[Claude] "Well, I cannot say either that I do or that I do not support such a demonstration. I heard a statement. We took it at its just value. We can discuss that matter when we all meet. I must tell the public that ANDP met with us on 24 February at the Christopher [Hotel]; and that is why I had said, even before this....[changes thought] I said it a long time ago, if people had only listened. There is a consensus emerging. Everyone must sit down together around a single table because there is a common enemy. (?The ANDP) had already begun meeting with us. We are going to sit down and discuss their statement to see what can be done about it.

"I neither support it nor am I against it."

[Announcer] Another political leader to applaud the decision of these three CEP members is Rene Theodore of the PUCH. Theodore thinks the arguments put forth by the three CEP members in question are valid. Regarding the alternative to be proposed, PUCH leader Theodore said it must be sought by all the nation's sectors together.

[Theodore] "Well, we appreciate this position taken by these three citizens on the CEP who say they are stopping all their electoral activities until the nation is truly ready for elections; and we think their arguments in favor of this are quite valid because if you are going to hold elections, you are holding them for the voters and the candidates, not merely for and with an instrument—the CEP—which should be a viable instrument. Now we think that the country is, up to the present, not concerned with elections because it does not trust the current government. Nor are the political organizations concerned with elections in Haiti because they do not trust this government and also because this CEP's behavior is more than dubious. It is suspicious. And if these men have distanced themselves from this electoral council it is because they possess a degree of honesty that we respect, and we would like several other members on the CEP to adopt that same attitude and show they are honest citizens who would really like to do the nation a great service, instead of just sitting there and taking advantage of the fact they have a position on the CEP to make a little money.

"We did not affront them by saying they were all there only because of the money. We suspect, however, some of them are indeed there only because it is a job. Some of them have already begun declaring that they will hold elections; that what the Haitian people want is peace, food, and so forth; thus taking exactly the same position as Gen. Avril. We believe this CEP also needs to be cleaned up since there are some who say these are men who were either deputies during the Duvalier regime, or were associated with all kinds of Duvalier sordidness. These are the same people who are claiming again today that they can hold elections in Haiti under the current conditions." [passage omitted]

[Reporter] "There is a matter of a demonstration that the ANDP is allegedly planning. How do you of the PUCH feel about such a demonstration?"

[Theodore] "Well, it is a proposal. ANDP has not yet called for a demonstration. It has suggested a demonstration. All other sectors also had this idea. They have said it before. The idea of a mobilization is normal. The minute a political sector or rather, all the nation's sectors say that the government must leave power, they must show that the entire population, all its components, all its sectors, want the government to step down. Thus it is normal for them to ask for a mobilization. But it is not the fact that the ANDP alone calls for this mobilization that will bring about such a mobilization. We must all sit down together and reach an agreement on this and decree the mobilization all together. We must, all together, give the date. We must organize and prepare the protocol for this mobilization together so it will indeed result in an agreement with the population itself; so the mobilization will result in a unanimous decision on the part of the political parties and the entire Haitian people in a memorandum, statement, or position that everyone will adopt which will later constitute a political platform in Haiti."

[Announcer] Evans Paul of the Confederation for Democratic Unity feels this decision by the three CEP members bears testimony to the fact that macoute power is crumbling. K. Plim [alias Evans Paul] calls on all sectors to unite to establish the rules of the democratic game to counter the macoutes' power.

[Paul] [passage omitted] "We think that the alternative to Avril must be the result of a consensus among everyone concerned with the political crisis today.

"Speaking of democracy, there are two things that hold our attention. There is a decree issued by General Kebreau in 1957 that prevents merchants from striking. They [not further identified] have a right to show up and open any store (?by force) in case of a prolonged strike. This decree must be disposed of, rescinded.

"There is another decree, issued by General Namphy in 1987, which they apply to prevent people from demonstrating. This decree too must be revoked." [passage omitted]

[Announcer] Eddy Volel of the RDC also expressed satisfaction with what he termed the lucid perception of these three members of the CEP, and he invites the other members of the CEP to follow their example. Volel, who heads the Christian Democratic Assembly, goes further and asks government employees to clearly express to the government their hostility toward it.

[Volel] [passage omitted] "We ask all government employees to stop their activities until Prosper Avril

steps down; and we ask the Haitian people to engage in civil disobedience also until Avril leaves because Avril is not going to hold any elections. Elections are not credible.... [rephrases] not possible under Prosper Avril. This is clear. The struggle is tough but we have reached a point where we are going to win. So let us fight." [passage omitted]

[Announcer] Thus, there have been numerous reactions following the request to suspend election preparations made by three CEP officials. Now we will have you listen to Jean Auguste Mesyeux of the Autonomous Organization of Haitian Workers.

[Mesyeux] [passage omitted] "We can also say that considering the recent events, and in light of what he did to the entire political class in Haiti on 20 January, we think these CEP members have taken this stance because they do not want another massacre like that of 29 November...." [break in transmission]

Further on Bazin, ANDP 28 Feb Statement

FL0103224390 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 1 Mar 90

[Excerpts] Marc Bazin, leader of the Movement for the Establishment of Democracy in Haiti [MIDH] and the candidate of the National Alliance for Democracy and Progress [ANDP]—which is composed of the MIDH, the National Patriotic Movement of 28 November, and the Nationalistic and Progressive Revolutionary Party of Haiti—has issued a statement in the name of the ANDP asking General Avril to hand over power to the president of the Court of Cassation so he can organize elections as provided for in the Constitution. If not, ANDP will not participate in elections and the six conditions put forth by ANDP become null and void.

In his statement recorded onto cassettes which he distributed to the press on 28 February, Bazin recalled the 20 January events that he said were very serious acts committed by the military government, particularly when it arrested without warrants, tortured, and exiled numerous political personalities. [passage omitted]

In connection with the letter the ANDP sent Gen. Avril and the CEP [Permanent Electoral Council] in which it listed six points it considered necessary for its participation in elections, the ANDP has noted there is a confused mess, with the CEP saying it will not change the calendar while certain CEP members are breaking away to make proposals under the table; and with the president of the military government making a number of zigzag statements. Sometimes the president says the political parties have no offices and that there is no one out in the field, then he turns around and says you cannot hold elections with people who are hungry and cannot read. Later you hear that elections are not the first solution to getting out of the crisis. [passage omitted].

The ANDP consequently asks Gen. Avril to resign and hand over the reins of power to Gilbert Austin, president of the Court of Cassation, so he can organize elections within the time limit provided in the Constitution. This would be a patriotic solution that would save the honor of the Haitian Army.

[Begin Bazin recording] However, we cannot ask a government to leave without knowing who is to replace it. We do not want people once again, as they have been doing since 7 February, asking the government to resign without having anything with which to replace it. That is why we of the ANDP have decided to propose to the nation what we call the constitutional solution—that is, to have the president of the Court of Cassation replace President Avril and quickly organize elections within the period provided for in the Constitution.

To do his work, the president of the Court of Cassation, as the constitutional president of the provisional government, will need a cabinet. We propose that this cabinet be composed of people who are not in politics. They should be independent personalities who respect themselves and whom everyone respects. We also think that in addition to this cabinet there should be a council of sages, a group of people who would not make any decisions but whom he could consult independently of the cabinet. We also think that he needs a high military council. He needs such a council because he will need to talk to the entire Haitian Army. He must create a dialogue based on trust; a real, proper, dialogue with the officers, enlisted men, and noncoms of the Haitian Army. This high military council must be composed of representatives of all the Army corps and the provisional president must contact it immediately to see how they will ensure stability, public order in the country, and the situation of the enlisted men, noncoms, and officers of the Haitian Army. [end recording]

Finally, to demonstrate that the solution of getting rid of Gen. Avril and putting a civilian government in power to organize elections is the position of all political parties, all union federations, and the entire Haitian people; the ANDP has decided to soon hold an assembly of all the nation's social strata. However, it has not yet set a time or place for this event.

[Begin Bazin recording] ...decided that to show the solution we are proposing is one the Haitian people want, we are going to hold an assembly. We are in favor of the unity of the political class. Therefore, we are inviting everyone, all the political parties; and we have begun discussions with everyone, the political forces, the industrial forces, the commercial forces, the spiritual forces, associations, and unions. We have begun discussions with them all with a view toward organizing quickly and if possible together, a great big assembly of tens of thousands of Haitians of all ages and all social strata to demonstrate in favor of democracy, justice, respect for the human person, and respect for human rights, for concord within the Haitian family. We want a huge assembly of tens of thousands of people to demonstrate against corruption, repression, regression, division, and extreme poverty. We would today like to

warmly salute everyone who wants to come to participate with us in this demonstration. We are going to continue discussing the matter with them. [end recording] [passage omitted]

AJDJ Calls for Mobilization Against Avril

FL0103215890 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 1 Mar 90

[Excerpts] [Announcer] The Association of Young Democrats of Jeremie says it will not participate in elections under the current government and it calls on the entire nation to mobilize against General Avril's government.

[Correspondent Charles Emile Joassaint] In a press release the AJDJ, or Association of Young Democrats of Jeremie, says they are not in favor of the elections Gen. Avril and the CEP, Permanent Electoral Council, are organizing. They ask: What can we expect of such elections? Is it not another 29 November? No, the country has to live, and the children of the humble must live too. [passage omitted]

The note says, furthermore, that they agree to participate in elections, but not under the current government. Therefore AJDJ addresses itself to the bishops' conference, the Protestant churches, the journalists' association, and other sectors that sent representatives to the CEP, asking these sectors' representatives to resign from the CEP so as to definitively unplug [debranche] the government—because they will not participate in elections under this government.

They say: If this is not done, it looks as if the representatives of the institutions mentioned are in favor of the government's evil actions. There is no way anyone can conceal his navel while taking a bath. Thus, they ask all associations of unionists, teachers, physicians, serious political parties, students, lawyers and other professionals, peasants, the unemployed, and so forth, to meet together and find an alternative with which to replace the current repressive government. It should also be their mission to prepare proper elections within six months.

Finally AJDJ calls on the people of Gonaives, Cap-Haitien, Jacmel, Cayes, Saint-Marc, Port-au-Prince, Petit Goave, Leogane, and so forth to mobilize against the Avril government, because, do not forget—says AJDJ—the nation's motto is strength lies in unity. Down with repression. Down with injustice. Down with macoutes of all colors. Down with phony elections. Long live the unity in which lies strength so that Haiti can change.

This press release is signed for AJDJ's committee by (Julien Fontaine), (Astrel Jeudi), (Jean Raymond Justin), and (Jean Jostin).

This is Charles Emile Joassaint, Radio Soleil, Jeremie.

16 Groups in South Call for Mobilization

FL0203004590 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 1 Mar 90

[Report by Jean Osler from Les Cayes]

[Excerpts] In Les Cayes, 16 representatives of political parties, union and professional organizations, and associations have blown the conch shell to mobilize the entire Haitian people against the president of the military government, General Prosper Avril.

In a press release, a total of 16 parties, union organizations, and popular associations say the following: [passage omitted] In view of the serious situation, we see the need to achieve unity of action. Gen. Avril's military government has shown clearly that it cannot solve the serious crisis upsetting the country. [passage omitted] The 20 January events have clearly shown that the Avril government and the train of death [allusion to call by Henri Namphy, former head of the National Council of Government, to get aboard the so-called train of democracy] are menaces to all sectors of the national life.

We ask the population of the south to form groups for reflection in every neighborhood, commune, and communal section with a view to mobilization in order to prevent this death train from running over us. Alone we are weak; together we are strong.

For the professional organizations and associations, we have Mupac [Unity Movement of the People of Les Cayes], APN [People's National Assembly], SAJ [Solidarity Among Youth], Onajac [National Organizatin of Literacy and Awareness-Raising Youth Groups], KBT [expansion unknown], the primary professional associations [asosyasyon profesyonel prime]. In addition, PUCH [Unified Party of Haitian Communists], PDCH [Haitian Christian Democratic Party], MDN [Mobilization for National Development], PRDNP [?Assembly of Progressive National Democrats], Conacom [National Committee of the Congress of Democratic Movements], KOTA [Confederation of Haitian Blue-Collar Workers], CTH [Confederation of Haitian Workers], FOS [Federation of Workers Trade Unions], and the Dessalines sugar mill union.

Special UN Human Rights Observer Sent to Haiti

FL0103221790 Port-au-Prince Radio Nationale in Creole 1400 GMT 1 Mar 90

[Excerpt] A report from the United Nations in Geneva informs us that on 28 February the International Human Rights Federation, FIDH, asked the UN Human Rights Commission to appoint a special reporter [rapporteur] in Haiti to keep track of human rights matters. The FIDH affirmed before this commission that the Haitian Government has violated human rights not just during exceptional periods but also during normal times.

This nongovernmental organization had a human rights militant, Dr. Louis Roy, testify before the United

Nations. Dr. Roy, who is 74 years old, was one of approximately 40 political leaders arrested last 20 and 21 January. Dr. Roy affirmed among other things, that during the month of November three young people who were pasting up posters in favor of a certain political party were killed. Dr. Roy also testified that some were beaten and one was tied to the back of a vehicle and dragged to death.

This is a report from the United Nations in Geneva concerning human rights. [passage omitted]

Jamaica

Coore Comments on U.S. Supreme Court Ruling

FL0103232790 Bridgetown CANA in English 2122 GMT 1 Mar 90

[Text] Kingston, Jamaica, March 1, CANA—Jamaica's Foreign Minister Senator David Coore has expressed doubts about a U.S. Supreme Court ruling handed down on Wednesday [28 February] which allows U.S. law enforcement agents to conduct searches and arrests without warrants in foreign countries.

In an initial reaction, Coore told reporters on Thursday that he had not yet seen the details but expressed the view that the U.S. Supreme Court only had jurisdiction within its own territory. He said the purpose of the ruling was to legalise such actions within the American judicial system. However, he pointed out that for such arrests and searches to take place, U.S. law enforcement would have to be given permission by countries either by general treaty or special arrangement.

Jamaica, he said, would not be prepared to grant such permission except in specific instances. He did not say what these specific instances were. "I would be reluctant to give any other country blanket permission to arrest people in my own territory," Coore said adding that there were other ways to deal with criminals who crossed national boundaries.

Coore, who was giving a report of the recently concluded special United Nations special session on drugs and drug trafficking, said that Prime Minister Michael Manley's multi-strike force proposal had not been shelved but was "modified." The proposal, he said, now consisted of establishing a U.N. task force to provide training and equipment to other states, at their request, for their anti-drug operations.

Guatemala

Cerezo Accuses U.S. Ambassador of Interference

PA0203045390 Paris AFP in Spanish 0329 GMT 2 Mar 90

[Text] Guatemala City, 1 Mar (AFP)—President Vinicio Cerezo has accused U.S. Ambassador Thomas Strook of interfering in the internal affairs of this Central American country.

"It is not customary for an ambassador of any country to openly interfere in the internal problems of another country," said Cerezo today in reference to the U.S. diplomat. Strook had expressed his concern this week over the Guatemalan human rights situation and the Guatemalan officials' incompetence in controlling the situation.

Cerezo requested that Strook define his status, "whether as an ambassador or a private person." He also asked Strook to "consult with his government to determine if this is an official policy or not."

"If it is, we would have to open up a discussion with the U.S. Government," said the president. He added that he is handling the matter with "prudence and sensitivity, but with firmness."

Cerezo also noted that if Strook "wants to give personal opinions about Guatemalan problems, he will have to do so independently from his position as ambassador."

During a speech given before Rotary Club members on 27 February, the U.S. ambassador criticized how the Christian Democratic government dealt with the human rights situation.

The diplomat stated then: "I would not be sincere if I told you that the Bush administration, Congress, and the American people are not seriously concerned about the Guatemalan human rights situation."

"The murder and kidnapping of students, political leaders, peasants, and workers have us deeply worried," he added, noting that "the continous reports about unknown persons who have been murdered or kidnapped in the country's rural areas have not only greatly disturbed people in Guatemala, but also the world over."

Strook said he was surprised that in none of the cases had the Guatemalan authorities been able to capture and take to court "the vile and cowardly criminals who had committed these abominable acts."

During his speech the diplomat also criticized the drug-trafficking situation in Guatemala and "the sad social and economic reality" of the country, where most of the country's 9 million inhabitants live in abject poverty.

* Drug Control Bill Presented to Congress

90WD0178Z Guatemala City EL GRAFICO in Spanish 26 Jan 90 p 5

[Text] Guatemala City—Yesterday Deputy Rene de Leon Schlotter submitted his bill for the prevention and treatment of drug addiction and against improper use and illicit trafficking of drugs and psychotropic substances, as well as associated activities.

This is the second bill of its kind known to have been presented in the Congress of the Republic. Oddly enough, the first one was the bill submitted by Deputy Alfonso Cabrera Hidalgo, the Christian Democratic Party's presidential candidate.

Rene de Leon and his bloc of deputies claim that there is real concern on the part of the commission on Guatemalan territory about criminal activities associated with the production, dealing, and use of drugs and psychotropic substances.

They argue: "We think that there is an urgent need for Guatemala to assume an active position, in cooperation with the other governments that have seriously adopted positive decisions to eradicate this social evil and to destroy the growing power of the international drug-trafficking cartels."

The bill consists of 49 articles, and prominent among its main objectives are: to gain a better understanding of the active and passive subjects, as well as the consequences of this problem; to determine the penal liability of those perpetrators, accomplices, and concealers, and also that of the intellectual perpetrators; to establish economic penalties that will discourage drug production and trafficking; to interconnect and coordinate activities directly related to the control and prevention of production, trafficking, and consumption; to mobilize the resources necessary for attaining the goals of this law; and to provide a suitable response to Guatemala's need for preventing this destructive process.

Honduras

* 1990 National Budget Analyzed

90EM0095A San Pedro Sula LA PRENSA in Spanish 17 Jan 90 p 3

[Text] Tegucigalpa—The central government's current operating expenses for fiscal year 1990 will be financed 95 percent with national funds, because the financing provided by international lending agencies "is to be directed primarily toward investment programs and projects" demanded by the country's development.

The foregoing statement is part of the contents of the central government's Global Analysis of Budget Financing for 1990, prepared by the Secretariat of Planning, Coordination, and Budget (Secplan). This analysis justifies the budget bill sent to the National Congress, which is responsible for approving it.

According to the document, the estimated current revenues for this year's budget amount to 1.602 billion lempiras, a figure representing a 9.1 percent increase over that for fiscal year 1989.

The analysis adds that tax revenue accounts for the largest share of that increase in current revenues, "even considering that, according to the fiscal policy for 1990, no new tax levies are to be adopted."

It claims that the policy on tax revenue will continue to be based on improving the fiscal administration's efficiency in raising collections.

The document states that the largest increase is called for in taxes on production and consumption.

Collections amounting to 59.6 million lempiras in excess of the 1989 total are estimated, owing to a projected growth of 2.4 percent in the national economy and an anticipated inflation rate of 12.8 percent, as well as the tax administration's efforts to improve collections, combat evasion, and expand the universe of taxpayers.

For this purpose, Secplan economists propose action this year aimed at continuing the stamping of invoices, the drawing by lots of invoices sent by taxpayers to the fiscal lottery, the incorporation of businessmen who are not participating in the taxation process, the establishment of a recovery program, and the modernization of taxpayers' registration and tax information systems.

The analysis maintains that the income tax shows an increase of 36 million lempiras, equivalent to 10 percent, over last year's figure.

According to the document, this increase is a result of a moderate national revenue and improved control of tax administration. This was achieved through action such as the continued withholding at the source in the public sector, and its extension to the private sector in business firms in which it had not yet been implemented.

It is also due to the acceleration of collections on defaults through administrative and judicial channels, the implementation of payment plans, and the establishment of a tax inspection program for business firms with high income levels.

The document states that the revenues derived from foreign commerce will be affected "by a deterioration in the terms of trade stemming from low export prices and increased import prices, as a result of which the increase in collections is estimated at only 4.7 percent over 1989."

In the area of taxes on exports, fiscal revenues will continue to be severely affected by a sharp decline in international coffee prices.

This is evident in a considerable drop in collections of this tax, estimated at 20.5 million lempiras in 1989, and for 1990 at only 6 million lempiras in this sector, based on the recovery of defaults from previous fiscal years, as the Secplan document notes.

It adds that, in the case of imports of goods and services, "The tax shows an increase of 9.3 percent, equivalent to 34.6 million lempiras, raising it to second place for current revenue based on size."

According to Secplan economists, this rise is explained, on the one hand, by the moderate increase estimated for imports through self-financing; and, on the other, by administrative improvements in the collection of that tax.

The document goes on to say that the other categories of tax revenues do not show any significant variations, and their growth is expected to be sluggish.

Nontax Revenues

It indicates that nontax revenues amount to 219.8 million lempiras, representing a 5.7 percent increase over last year's figure.

It explains that this increase is considered sluggish, "because none of its components shows substantial increases, with the exception of the 'services' category, which will have 19.1-percent growth as a result of the inclusion of toll charges."

The Secplan analysis points out that collections in the "financial assets" category will increase slightly over 40 percent, as a result of interest payments for on-lending to public enterprises.

Capital Revenues

Insofar as capital revenues are concerned, the document notes that they will amount to 975.2 million lempiras, comprised mainly of credit from the Central Bank of Honduras, BCH, the Agency for International Development, the Inter-American Development Bank, the Central American Bank of Economic Integration, and the Italian Government.

Finally, it states that the internal credit originating in the BCH has been programmed at 570 million lempiras, and it is anticipated that 270 million lempiras in loans will be received from international financing agencies, as well as approximately 135.1 million lempiras in the form of donations, including those from the Economic Stabilization Fund.

* Central Bank Reports on Consumer Prices

90EM0095B San Pedro Sula TIEMPO in Spanish 23 Jan 90 p 36

[Text] Yesterday the Central Bank authorities reported on the performance of consumer prices during 1989 which—they claim—increased 9.8 percent: a rise that they compare favorably with that recorded in other Latin American countries. They also note that, last year, prices increased by only half the percentage registered in 1980.

Following is the Central Bank's report:

According to the General Consumer Price Index [GCPI], during 1989 (January-December average) there was a 9.8-percent price hike, a figure exceeding those recorded during 1987 and 1988 by 2.5 and 4.5 percent, respectively. However, it was half the amount for 1980 (18.1 percent), and similar to that for 1981 (9.4 percent), as may be observed in Table No. 1. This degree of inflation may be compared favorably with that recorded by the Latin American countries, according to the ECLA study entitled "Preliminary Assessment of the Economy of Latin America and the Caribbean, 1989," published on 20 December 1989.

Upon observing Table No. 1, relating to the various items comprising the General Consumer Price Index, one may infer that, although the increase during 1989 is general for all items, the food, clothing, personal care, and education, reading, and recreation groups show the largest increases, with rates of 12.5, 12.1, 15.5, and 10.3 percent, respectively. The other items showed increases not exceeding 8 percent; and prominent in that group was transportation, which had only a 2.9-percent rise.

Regionally, prices showed quite similar rates of increase, with the greatest rise in Tegucigalpa (10.2 percent), followed by the southern zone (10 percent), the northern region (9.7 percent), the western region (8.5 percent), and the eastern region (8.1 percent).

As for the average price during December of each year for the leading food products in the Central District, it is shown that, of the 31 items reported, 24 had increases, four kept the same prices as in 1988, while three had cuts reported. The following products stand out for the amount of increase and its impact on consumption: corn (30.4 percent), white bread (33.3 percent), spaghetti (30.9 percent), chicken (18.4 percent), beef rib (50.8 percent), pasteurized milk (20.0 percent) whole powdered milk (82.2 percent), eggs (24.8 percent), bananas (40 percent), and tomato sauce (49.1 percent).

Among the causes that have influenced the general rise in prices is the fact that foods were impacted by the meager basic-grain harvests during 1988 and 1989, and that seasonal supplies of imported sugar, flour, and milk were inadequate. Also contributing to the price hikes for the other items was the general rise in production costs caused mainly by the lack of dollars, at two for one, with which to import equipment and capital goods. The same effect was caused by the deregulation of prices, implemented in 1989 by the Ministry of Economy and Commerce, for products that had been subject to controls for a long time.

Table No. 1

Percentage of Variation in the Consumer Price Index, by Items (January-December of Each Year)

Items	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Food	17.1	7.3	5.9	6.2	0.4	1.5	2.7	1.3	7.5	12.5
Housing and Household Operation	15.5	10.3	6.2	11.1	9.5	5.2	6.8	4.4	3.6	7.0
Clothing	29.4	15.0	20.0	8.5	5.1	2.9	2.2	1.1	1.5	12.1
Health Care	12.8	14.6	11.9	9.8	4.8	2.1	1.3	2.5	3.2	5.7
Personal Care	14.8	10.6	15.1	9.4	4.6	1.4	1.0	1.3	4.0	15.5
Beverages and Tobacco	34.6	7.1	19.9	6.3	3.0	6.6	11.6	0.5	0.7	7.9
Transportation	18.8	8.1	7.3	4.5	1.4	2.1	3.6	1.1	0.6	2.9
Education, Reading, and Recreation	14.3	10.5	14.1	8.0	10.0	6.8	2.9	4.5	3.9	10.3
General Index	18.1	9.4	9.0	8.3	4.7	3.4	4.4	2.5	4.5	9.8

Nicaragua

Ortega Comments on Defending FSLN Revolution

PA0103232590 Managua Radio Sandino in Spanish 1745 GMT 1 Mar 90

[Statements by President Daniel Ortega; date and place not given—live or recorded; broadcast in progress]

[Text] ...thought had the people's support. [words indistinct] That is true. We had that impression but reality has shown that it has been losing the people's support. There comes a time when [words indistinct], and there is no force that can stop people because when they explode, they cannot be stopped no matter how much you try.

However, the conditions are completely advantageous for us, as a revolutionary force, to resume the struggle now, from the rank and file, from the lowlands [las llanuras], and from the opposition. We must resume the struggle, for what? To make the FSLN [Sandinist National Liberation Front] a better political force. We need to have all the social sectors, including the Christians and the economic sectors, participate more fully. We need them to participate more fully. We should use

the experience we have acquired. We should take intoaccount the undeniable fact that the next government will not be able to solve all the problems it has promised it will solve.

There are fundamental achievements of the revolution that are irreversible, and we will defend them from below. We will also defend the political opportunities, the right to mobilize, and the democratic rights that the revolution has won for all the political forces and groups in the country. So, can we consider it a defeat for the FSLN that a percentage—about eight percent—of the population chose the other option, taking into consideration that the number of votes that each of the parties that make up the opposition coalition received individually was really a very small number? The truth is that a majority of the votes in that 54 or 55 percent that they received includes a majority that is not voting for any party. In fact, they are voting for one promise instead of another, meaning the Sandinists' promise.

They could have said: Well, I support the revolution and I want the Sandinists, but the truth is I want to end the war and I want the country to improve economically. In this way they vote for the other proposal, which creates an illusion because U.S. President George Bush appears to be behind that proposal. This creates the illusion that the proposal can achieve what the FSLN has not achieved in 10 years as a government. This makes the voting population move in that direction, but this is also why 26 February was not a day of partying and rejoicing among the people. In fact, it practically became a day of national mourning for the winners. We thus come to the conclusion that there were no winners or losers.

The United States must appreciate all the efforts, all the sacrifices, made by the Nicaraguan people; all the efforts and all the sacrifices made by the Nicaraguan youth and the Nicaraguan mothers; all the efforts made by the FSLN to reach this conclusion, which should become a conclusion that provides stability and peace for all the Nicaraguans so we can reactivate the economy and develop society. That is what our position should be, a constructive position, but it all depends on the United States now. It also depends on the maturity with which the new government assumes its role, so it can earn the FSLN's support, so it can earn the Christians' support, and so it can earn the support of those same people who voted for this new government. It will be up to them to do it.

If they do not go against the basic and essential achievements of the revolution, I think that the conditions will be right to work for the country's salvation. If they try to destroy the basic achievements of the revolution, meaning the ones I outlined in the Nonaligned Plaza to the Nicaraguan people following the meeting with the FSLN cadres; if they try to do away with those achievements, which are—if I may use the word—the vital point of balance that represents the necessary guarantees for all of us.... [changes thought] I mean them and us; I mean all Nicaraguans. Well, if they try to do away with all those achievements, if they try to conspire against those achievements, if the new government tries to do away with those achievements, then they would be breaking a dam. They would be breaking a dam and it would create chaos in Nicaragua. It would create chaos throughout the country.

The revolution was waged here precisely to defend the people's interests, to build a democracy in which the people's interests were guaranteed—and they are guaranteed by the current Constitution and by the essential achievements that should not be done away with. However, if those achievements are done away with or are threatened or affected by anything, this would create chaos. I do not think the U.S. Government or the new Nicaraguan Government, or the Nicaraguan people, or the FSLN should want this to happen. They should not want the issue of Nicaragua's economic, social, and economic development to become the spark that ignites an explosion in Nicaragua. It would be worse than the earthquake, worse than the hurricane, and worse than the war against the Somoza dictatorship. It would be worse than the war against Somoza.

So, we all have a responsibility right now. What kind of responsibility? The responsibility to defend those basic and essential principles and the basic achievements of the revolution. We must be willing to work. We must be willing to support the efforts of the government in everything that affects the people's interests. We must also be prepared to struggle with due firmness and strength against everything that goes against the people's interests. We now have to struggle under conditions that are not new for the Sandinists. We have fought under more adverse conditions, meaning against the Somoza dictatorship. Those were totally adverse conditions. Now the conditions are not adverse. They are favorable conditions for the people's struggle, for a democratic struggle, for a struggle in the economic sector, and for a struggle in the social sector. The instruments for a struggle in the civic sector are there. We have all the means to wage a struggle that guarantees a democratic system, which has been built in this country over these past years.

The fact that the FSLN has been ruling for several years does not necessarily mean that the people's forces will now be weakened; it does not necessarily mean that the Sandinist process will be weakened just because it is leaving power from above to rule from below. On the contrary, it should strengthen the FSLN. I am totally convinced that if we were to vote right now, the results would be different. I am fully convinced of this. However, there is an unquestionable fact: We have to respect the 25 February 1990 results.

February 26th was another anniversary of the death in combat of my brother Camilo. [applause] This morning, I spoke to all the country, to all the Nicaraguan people, convinced that what we were doing was not for (?power or to remain in power). The revolution is not being lost. The revolution is not failing. On the contrary, the revolution has been strengthened. The revolution will

grow over the next few days and months in popular support. The revolution is going through a difficult time; it is undergoing a test of fire. If you like, the revolution is going through a tough and tragic time—that Good Friday, with Christ on the cross, with the revolution like Christ or with Chirst, and then rising because [words indistinct]. [applause]

Ortega Comments on Election Defeat

PA0103202290 Managua Domestic Service in Spanish 1815 GMT 1 Mar 90

[Statements by President Daniel Ortega during a meeting with Christians For Peace at the Antonio Valdivieso Center; date not given—recorded; broadcast in progress]

[Text] ...becomes a historic position that represents new challenges for the revolutionaries, Sandinists, and Christians. These new challenges are greater than those we faced when the Sandinist National Liberation Front [FSLN] ruled in this country as the government. Why did the majority of the people vote for the alternative, which they knew as well as they did the FSLN? This is a question we will gradually answer over time. We also have to admit, however, that 40 percent of the population voted for the FSLN under very adverse conditions. The FSLN and the opposition each said that if it won the elections, the country's situation would improve and the government would bring peace and improve the economy and social condition. What disadvantages did the FSLN have? The disadvantage of being worn down with repercussions in Nicaragua as the result of the U.S. policy of aggression.

Elections were scheduled to be held in Nicaragua in November this year. When we decided to hold the elections ahead of schedule in February, we were aware that the people's situation was already very difficult. The efforts required to mobilize the military service and the efforts to protect the economic and social fields so the economy would not be hampered began to sap the strength of a large portion of the Nicaraguan people. This is a small nation engaged in a war unleashed by the world's greatest economic and military power; this war has tortured this people for 10 years. The country has been like a man who is tortured in a dungeon every day until he says what his tormentors want to hear.

We must bear in mind that former President Reagan said something typical of his government. He said he would make the Sandinists apologize. This was a personal pledge by the U.S. President in his policy of death against the revolution. The United States will never make the Sandinists cry out for help. [applause] The United States succeeded, however.... [changes thought] The translation into our langauge is to cry out for help [pedir cacao]. We Sandinists have never cried for help, nor will we. The United States succeeded, however, in influencing a large sector of the population so this sector, subjected to a policy of blackmail, pressure, aggression, and death, had to cry out for help. [Words indistinct] he did not take the revolution into account, however. Maybe this other alternative, which includes the U.S. Government and President Bush, will bring peace and economic improvement to Nicaragua.

The number of votes that the FSLN received on 25 February is truly impressive. We have to give these votes due consideration because they are not the votes of a minority, but represent strength. Truly, these votes do not represent the majority in number, but they do represent the majority in quality. Quantitatively, these votes represent 40 percent and confirm the FSLN as the largest, better organized, more disciplined, and more aware party. We must take into consideration that the percentage of voters who tipped the balance in favor of the other alternative voted under pressure and threats. We should not be surprised by this. I will not say now—and I said it on 26 February—that the elections should be invalid because the U.S. Government blackmailed the people and that, therefore, these elections could not be considered truly free. We took the risk upon ourselves. We were aware and convinced that we would be facing the United States in these elections. We did not say that this as a propaganda gimmick to weaken our adversaries, but because the United States was truly our main opponent in these elections. We passed through something that is not normal in a democratic election. We confronted a power in the political and electoral field, with the disadvantage of this power having a gun aimed at the entire people and nation. We had only our moral strength and a message of hope and faith for the suffering people.

They have a gun and a finger on the trigger and tell the people: If you vote for the FSLN, the war will continue, the embargo will continue, and the economic situation will continue to be disastrous. Conversely, if you vote for the other alterenative, the war will end and the economic situation will improve. We must underline that this 40 percent of the people who voted for the FSLN under conditions so complex and adverse tested the FSLN's strength.

In any part of the world, a country that wears itself out the way the Sandinist Government has, the way the Nicaraguan nation has worn itself out in the social and economic fields—the war and everything else that followed—that government generally collapses politically during an election. The people and the parties become completely worn out, and therefore the government wears out as well. The net result is an overwhelming loss at the polls.

We, on the other hand, managed to come out all the more stronger, with 40 percent of the voters ratifying their support for the FSLN. This 40 percent of the population has given its support to the FSLN's moral proposal and the FSLN's hope proposal, knowing the risk of threatening U.S. policies against Nicaragua if the FSLN were to have won.

In the final analysis, we need to take into account the following facts: We must take into account that when the FSLN said that we would have a multiparty system—elections, a mixed economy, and nonalignment—the FSLN really meant it. This was not just tactics, as some said, and it was not a lie, as some people asserted. It was a fact. We defended and still defend this multiparty system of nonalignment with a mixed economy.

We tested this in the 1984 elections, although not completely, because the United States wanted no part in those elections. Instead, they placed their bets on destroying the revolution in the military field. That is why the Nicaraguan Democratic Coordinating Board did not take part in the elections, despite all our efforts for them to do so. In other words, we challenged the enemy, we challenged the United States, which had at that moment a powerful force—the contras. The contras were not strategically defeated at that time, and, taking a risk, we challenged them to fight in the electoral-political field. Instead, they decided to create a vacuum in the electoral-political field to try from that vantage point to disavow the electoral results—the FSLN won of course—and they bet it all on winning in the military field. As they were being defeated strategically in the military field—in mountainous and rural areas—both they and we accepted the challenge in the electoral-political field.

In other words, the contras, having accepted the strategic defeat of their military project—their political situation was militarily defeated—accepted the electoral-political challenge. Thus, the elections were moved ahead. And the intent to propitiate basic conditions to help a greater contra demobilization—to bring down the level of fighting and move that military struggle to a political one—brought some badly needed peace and stability to the people of Nicaragua.

Our main goal in these elections has not been whether or not the FSLN wins the elections. It is true that this was our objective, but we cannot say this was our main, overall objective. Our main, overall objective was to conduct these elections and put the revolutionary project to the test. We wanted peace and stability for Nicaragua as a result of these elections.

Of course, we as a party wanted the people to vote for the FSLN. We have carried out this job with great effort, sacrifice, and work. We cannot deny the work we have done. Even though people can now point out incorrect systems of government in the past, the truth is that they should take into account that when we entered this electoral battle in 1990, the entire FSLN organization was preparing for war. It was ready for war. It was not ready to conduct an election campaign or wage electoral battles.

It was necessary for the FSLN to [words indistinct], because if that had not been done, the contras would have moved in. We would not have been able to strategically defeat the counterrevolution. [Words indistinct] ...political, organizational action, which generated tensions that are natural. On the other hand, we had an armed enemy that was exerting pressure on the people.

Therefore, the first thing we must recognize here as a victory of the FSLN and the revolution is the fact that we decided to test our multipartisan, democratic, anticolonialist, and nonaligned revolutionary project. We put it to the maximum test, which was our decision to accept the electoral results as soon as we decided to participate in the elections.

Had we won the elections, we would be trying to bring peace to the people, but our opponents would say that our nationalist, democratic proposal is nothing more than a proposal and that the FSLN continues to be a totalitarian government. They would say that we won the elections because we resorted to totalitarian practices and blackmail.

Reagan himself said that he did not trust the election results in Nicaragua. Well, the people gave their vote to the opposition.

We are reaffirming the fundamental gain of the revolution to have a multiparty, anticolonialist, and nonaligned system.

I want to make the following comment. This goes for any type of organization, whether it is political or religious. It is better for us to undergo a test of the people's support, even under adverse conditions in which we could argue that not all the necessary conditions were present to hold truly fair, honest, and democratic elections in Nicaragua. We could affirm that. However, we accepted the challenge of going to elections under these disadvantageous conditions. This decision was preferable to not holding elections, and having a single party and thinking that everything is fine and that all the people back us, and then to find out all of a sudden that we have no backing and the people were going to the side of the counterrevolution.

One lesson that must be taken into consideration is what has happened in East Europe, where... [At this point, the announcer interrupts this speech to broadcast live a statement by President Daniel Ortega to Nicaraguan journalists at a Managua restaurant]

Ortega Speaks to Journalists on Elections

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[Speech by President Daniel Ortega to the Union of Nicaraguan Journalists in Managua—live]

[Text] [Ortega] Today is the day of the revolutionaries, the day of the Sandinists, and the day of the people of Nicaragua. Journalists in Nicaragua have a long revolutionary history. The situation in the country after the 25 February 1990 elections and after a new government

takes charge of the Republic of Nicaragua on 25 April of the same year will pose a new challenge for Nicaraguan journalists.

During the Somoza dictatorship, the journalists tried to convert the media that did not belong to them into the combat trenches. They did not defend the interests of the workers or the people but were simply functioning for profit, trade, and personal enrichment. The presence of the journalists in radio communications with a patriotic, nationalistic, revolutionary spirit made these communications media play a relevant role against another struggle by the Nicaraguan people led by the Sandinist National Liberation Front [FSLN] against the Somozist dictatorship and against the imperialist aggression. It waged an unequal battle.

The journalists were in a very disadvantageous position, highly disadvantageous. Power was in the hands of Somozism, all the instruments of power were in the hands of Somozism, alongside imperialism. They had the labor codes to repress journalists. They also had the coercive instruments, the military apparatus to repress the journalists, just as they repressed the (?Sandinists). Despite that, the journalists were able to play a leading role in the struggle against the Somozist dictatorship and became a force of fundamental support for the FSLN and for all the Nicaraguan people who were struggling at that time against the Somozist dictatorship. The FSLN managed to make its dreams come true on 19 July 1979. The triumph of the Nicaraguan people on 19 July 1979 was also a victory of the journalists in Nicaragua.

We have the rich experience of 10 years of revolution, governing from above and also governing from below. Since the beginning of the revolution we learned to govern from above and to govern from below. Just as we fought bureaucratic tendencies, just as we fought against incorrect working styles, we have also fought the tendencies that might weaken our links with the working people, our links with the rank and file.

This also applies to those factors that might have eliminated the possibilities for the people to freely voice their opinions through the media.

The revolution has been in power for over 10 years—for a decade from 1979 to 1989, and for the months from July 1989 to 1 March 1990—and those of us who fought Somoza's dictatorship have accumulated a wealth of experience during this time. We later [word indistinct] this revolutionary process to face the U.S. aggression and the imperialist aggression, which manifested itself in military action and economic strangulation. This has also had major effects in the political-ideological arena.

We cannot deny the contradictions that are present in all societies and individuals, and also apparent in the (?party). When such contradictions are assessed and discussed in the best way, they can help enrich and strengthen a whole process of social, economic, and political changes.

I recall the discussions and debates that took place here when we gave the journalists the opportunity and freedom—and thereby also the people, through the journalists, because they are close to the people and their problems—to voice their problems and opinions. We turned the media—including the radio, newspapers, and television—into a permanent Face the People [Nicaraguan media program covering government leaders' meetings with the public] to allow the people to criticize and point out our mistakes.

I recall the resistance and concern on the part of government officials when the journalists criticized us or when the media allowed the people to express their opinions. Perhaps there was some very harsh criticism at times, but we had to experience this kind of criticism to ensure that the media would become an instrument allowing the people—and continuing to allow them—to give constructive criticism.

However, this was no easy task, because there was never ample freedom of speech in the past to allow—as was the case after the triumph of the revolution—the media to immediately open itself to the people at large, in a situation in which the journalist is not simply a person who listens to opinions and transmits them to those who read his articles, listen to him on the radio, or view and listen to him on television.

A journalist also works for his people and allows the people to directly state their views, their concerns. Let it not be said that this is a subversive attitude on the part of the journalist. The people feel they have a right to speak with the person who is communicating with them and voicing his viewpoints and criticism.

This was a very rich experience under extremely difficult conditions, which could explain the mistakes made during this decade. The U.S. aggression always had an adverse effect on Nicaraguan society.

To analyze the role of the journalists in our country in these 10 years, we cannot forget the substantive element that has burdened the entire Nicaraguan situation, affecting it politically, economically, and socially. It is the war that the United States of America imposed on Nicaragua after the victory of the 1979 revolution. It is a war that has taken the lives of thousands of Nicaraguans. It is a war that has caused tremendous destruction in our country's economic infrastructure. It is a war that has provoked social trauma.

It is a war that we have managed to defeat strategically, since U.S. plans to destroy the revolution have failed. However, we have had to pay a high cost. We have also made some mistakes. When society becomes tense, when society is polarized against a war by a foreign power, when there is such a harsh U.S. aggression as Nicaragua has sustained, it is easy to understand—although not justify—the mistakes that were made.

However, regardless of the mistakes that were made, the phenomenon that we observed and we all experienced on

25 February 1990 is a phenomenon that is explained not by the mistakes made by the revolution and not by the mistakes made by the FSLN or by the leadership of the revolutionary government, but by the brutality of the actions of the U.S. Government. Boasting its imperialist policy, the U.S. Government granted no truce to the Nicaraguan people and the Sandinist revolution for over 10 years, maintaining the aggression day after day, second after second, minute after minute.

It took the lives of many people; it destroyed schools and health centers; it mined our ports, setting fuel depots on fire; it destroyed bridges and workers' cooperatives; and it inflicted over 60,000 casualties in our country, including dead, wounded, and missing. It has caused losses in excess of $15 billion as a direct and indirect impact of the war. Never before in the modern history of Latin America and the Caribbean has a nation been subjected to such a brutal and systematic aggression as the one the Nicaraguan people have been subjected to during the last 10 years.

And that is where we must find the explanation for the vote cast on 25 February 1990, where [words indistinct] of the people voted for the option of peace. The vote was practically split, because 40 percent of the votes chose the peace option that the Sandinist National Liberation Front [FSLN] offered [words indistinct]. However, 55 percent of the votes went for the other option. The big question, which experts and analysts can pose and which we pose, is why 45 [as heard] percent of the people are not casting their vote for a party, but for the other option. Why did they vote for that option instead of for the FSLN? The answer is simple.

We must consider that these elections were not fair, equitable, or democratic in the full sense of the word. Why not? From the time that an independent nation (?faces) a war that destroys Nicaraguan lives and erodes the Nicaraguan economy and society, and the date of the elections has to be moved up precisely to achieve peace and a minimum degree of stability in the economic and social field; from the moment that it has to [word indistinct] and accept the challenge to move the battle from the military field with the imperialist power to the electoral field, then elections are no longer normal. The elections are between a people who are defending their right to the revolution, independence, profound changes, and full democracy; and a power—the imperialist power—that has tried to turn back this revolutionary process by any means.

And we say to them: Well, you failed with the counterrevolution. You can continue with the counterrevolution, which will continue the bloodshed in the country, but we do not want the bloodshed to continue. And so we say: Let us measure forces in the political and electoral arena. Regardless of the political stances of the leadership of the opposition parties, of the opposition forces that gradually defined themselves throughout the electoral process until they came up with actions to present to the Nicaraguan people; regardless of each one's inner feelings; I truly want to believe that all, without exception, all the parties that participated in the elections, without exception, truly strove to achieve peace in Nicaragua so the people may reach a minimum level of economic and social stability.

Regardless of all that, regardless of the patriotic feelings and requirements of the diverse political currents, the truth is that the United States was there, without asking anyone for permission, telling the people that if they voted for the front, the war would continue, the economic embargo would continue, and therefore, the sacrifice of the Nicaraguan people would continue.

We held elections with a gun, with a gun barrel pointed at the temple of the Nicaraguan people's head. We held them conscientiously. It cannot be said now that that the elections were not valid and that the electoral results will not be recognized, because the elections were held under disadvantageous conditions for the Nicaraguan people. Then, when there was no normalcy, when the United States was pointing a gun at the people telling them how to vote and giving them an option, we saw what the results were.

The people faced two options, or 10 options. Among the different options, one—with or without permission—had the support of the U.S. Government.

Therefore, this was a test of fire for the Nicaraguan revolution. It became a test of fire because the FSLN was going to the elections with a disadvantage. Has the FSLN's main objective been to win the elections? Has the principal objective of the FSLN been to win all the elections held in the history of Nicaragua? We, as a party, must defend that right [words indistinct]. But the main objective of the FSLN has been to bring to the Nicaraguan people true independence for this nation, self-determination, sovereignty for this nation, deep socioeconomic changes, revolutionary changes extended to all the sectors, favoring all the sectors, particularly the people's sectors, the workers, the laborers, the peasants.

The Sandinists have struggled against the Somozist dictatorship not to occupy posts in the government, but so the Nicaraguan people could have a political project that is truly viable. We are not interested in speculating with national interests. This political project had been historically denied the Nicaraguan people from their independence in 1821 until the year 1979. We were convinced that by holding these elections, regardless of the outcome, the Nicaraguans would be better able to establish peace and stability in the socioeconomic arena and to start the task of national reconstruction.

Days before the elections, when I met with foreign journalists, I told them that once the FSLN won the elections, it would not implement a policy of revenge or violence against anyone, that such a policy was not part of the FSLN program. I also told them that I would invite all economic and social groups, regardless of their political and ideological positions, to work together to

achieve the economic reconstruction of this country. I said I wanted to invite all political parties to call a truce in the economic arena.

We wanted the parties' political actions to lead to efforts in the economic arena that would save the economy, revive the economy. I told them that, regardless of who won the elections, this was the kind of spirit that we Nicaraguans needed after the elections to once and for all put an end to the war, the contras, U.S. aggression, and the policy of embargo and blockade. I was convinced that we would be closer to achieving this possibility, this goal.

We obviously struggled to ensure that the FSLN would win the elections. We did so with all the dedication, effort, and sacrifice of thousands of Nicaraguans, who in a forceful, firm, conscientious, and consistent manner, and although they were subjected to the torture of the U.S. policy of embargo and war, reaffirmed their (?support)—about 40 percent of them—for the FSLN, and thus confirmed that the FSLN continues to be the strongest and largest party, the party of the best. In other words, we continue to be the largest and the best. [applause]

It is virtually impossible to determine which is the strongest party among them in Nicaragua, because it is made up of so many parties—14 in all. The other parties ran alone. It is easy to gauge the strength of the parties that ran alone, because the election results reflect their individual strength. There were some very small parties, but there were 14 parties and groups that ran as one. We would have to divide the votes among the parties [words indistinct].

The truth is that the people produced another important result. About 20 to 30 percent of the people—we had expected the support of 70 percent of them—voted for other parties for political and ideological reasons, and for reasons of identification with the other political forces and parties. We failed to garner 70 percent of the vote. We garnered 40 percent.

Now why did that other 30 percent of the people vote for the other parties and not the FSLN? I believe it is important to point out first that in these elections the people voted to give the opportunity to another group to see whether it manages to do what the FSLN has been saying it wants to but has not been able to do because of the U.S. war—that is, establish absolute peace and stability that would allow us to rebuild the country.

That 30 percent voted while subjected to the same pressure and torture to which the 40 percent that voted for the FSLN was subjected. Taking a look at the figures—as we see on the screen a film in which a prisoner is being tortured—we see that was the situation of the Nicaraguan people. That has been the situation of the Nicaraguan people throughout all of these years.

The Nicaraguan people were tortured by U.S. policy; the Nicaraguan people were tortured by the war imposed by the U.S.; the Nicaraguan people were tortured by the contras; the Nicaraguan people were tortured by the U.S. embargo policy; the Nicaraguan people were tortured by the mining of the ports; the Nicaraguan people were tortured by the policy of blockade initiated by the U.S. in international organizations, as well as by the policy of blockade and pressures imposed by the U.S. in countries that were friends of Nicaragua. Those countries were pressured by the U.S. and have been limited in their contributions to help the Nicaraguan people defend their economy.

The people have been subjected to a terrible torture. We are not going to say now that a certain percentage of Nicaraguans who decided to vote for the other option sold out. We are not going to say that the 70 percent of the Nicaraguans who voted for the other options are traitors. We must understand that they did so due to a desperate attitude. We all have different ways of resisting pressures and tortures, such as this situation that the Nicaraguan people have been experiencing all these years.

We held elections under such conditions! We must recognize the strength and force of that 40 percent of the voters who automatically turn—speaking in qualitative terms—the FSLN into a much greater force than the sum of those votes. That 30 percent that voted for the other option, first of all, had every right to do so. That right to give their vote to the other option was won for them by the revolution and by the FSLN. Therefore, we cannot say that they lost, nor can I say that they are traitors.

They voted under the most dramatic conditions, as I explained earlier. They have not voted against the revolution; they have not voted against the FSLN. They have voted for the possibility that the peace promised by the FSLN will be attained more quickly. The other option must now fulfill its promises.

We must realize that the results of the elections should not be measured just in terms of the vote for president, but also in terms of the vote for the National Assembly. The vote of the Nicaraguan people for the National Assembly clearly reaffirmed their support for the profound changes that have taken place in this country. The people voted for the revolution. The people voted in favor of those profound changes. The people did not give such a majority to the opposition forces to enable them to come and amend the Constitution.

Therefore, this fact is worth noting. The people voted to maintain the revolutionary achievements, the basic achievements, the fundamental achievements that constitute the point of balance that has allowed advancing in the democratic process, winding down the war, and achieving peace. Journalists in this new situation will have the opportunity to wage new battles to defend the revolutionary process, defend self-determination and the sovereignty of the country, defend the people's interests, and defend the profound changes generated by the revolutionary process. There is a vast field with enough

trenches to defend the revolutionary achievements from a much better position than we had before 19 July.

I said that I will struggle from the lowlands and from the rank and file, and I will do so now from the opposition. I will not create an opposition for the sake of it. I will create a constructive opposition. I will back those things that benefit the (?revolution) and those things that benefit the people's interests. However, I cannot, of course, support those things that run counter to the interests of the people and the nation. I want to believe, and it would be the ideal if we understood it, that now is the time to move the country forward, defending the tenets of the revolution and reinforcing and stabilizing the democratic process. Otherwise, it would be of no use to Nicaragua, it would be of no use to the country, and it would not bring the peace we so longed for.

Journalists, as they rightly pointed out in their statement, know well the achievements that have been made. They know well that maneuvering room was opened for the freedom of expression, and, therefore, they are there in that trench. It will be up to them whether that trench is kept open or closed. Whether those trenches open up or close down will depend on you. Whether those trenches are trenches in which the people and the workers feel their interests are being defended will depend on you.

I am convinced that the journalists—just as they supported the FSLN and the Nicaraguan people before the triumph of the revolution, and just as they have supported the FSLN and the Nicaraguans, Nicaragua, and the fatherland throughout the past 10 years—in this new phase of governing from below, and along with the people and the FSLN, will wage new struggles to strengthen the conscience of the people in a battle that we hope will be waged more in the ideological and political arena than the military arena.

I say this because of everything the contras are now saying, because the contras continue to make threats while practically ignoring the new Nicaraguan Government. All the people are armed to face the contras. The best thing is for the contras to disarm. The best thing is for the contras to be demobilized by 25 April. The best is for the contras to release the kidnapped victims that still have not returned, while mothers suffer for their kidnapped children. We also hope the United States will keep its promise of lifting the embargo and bringing economic aid.

If all this happens, if the contras disappear, the United States lifts the embargo, and economic aid arrives, who would be the big winner of these elections other than the revolution and the Nicaraguan people? I repeat, when we planned the elections we said we would hold these elections, convinced that this would allow us to achieve peace faster and generate more economic resources for Nicaragua.

Therefore, this victory for peace and this victory for an end to the economic and commercial blockade would constitute a victory of the people, the revolution, and the FSLN, a great victory for all of us. It would be a victory for our heroes and martyrs. It would be a victory for the mothers. It is not yet a victory because we must still wait and see.

It remains to be seen if the desire for peace and stability will become a reality and if the contras will be disarmed and demoiblized by 25 April, instead of making speeches and threats such as those being made. They even talk of testing the government for a minimum period of two months. That would be a continuation of the war. We would have to unite all the forces of the nation to put an end once and for all to the contras. But I do not think it is necessary to go that far when the United States has the ability in its hands to cut off the contras' oxygen, if the U.S. Government is consistent with what it has promised. It should already have fulfilled its promise, because Nicaragua has already done so. The contras have yet to be demobilized and the contras continue to commit crimes, despite the fact that we have resumed the truce to permit the contras to demobilize and disarm. This is also true despite the existing mechanisms of verification through the United Nations and the OAS, which give guarantees to the contras to return to Nicaragua, permitting those wanting to return to do so and permitting those who do not to be relocated in other countries. All Nicaraguans face great challenges. Our first great challenge is to achieve peace. We are closer than ever today to reaching that peace. That was determined to a great extent by the demobilization of the contras. The Nicaraguans are a few steps from securing a minimum level of stability so we can work together to bring the country out of the economic and social destruction to which it has been subjected by U.S. policy. But it is all a question of time, as long as the contras persist in their positions. In the meantime, we will wait for a firm attitude on the part of the U.S. Government so the contras will demobilize and disarm and also release those they have kidnapped.

We are living during an unprecedented and historic time in Nicaragua in which the FSLN—although it is true that in these elections it did not garner the majority of votes—continues to be the largest political force in our country. It continues being the main defender, the main political force that defends our national interests, our territorial integrity, our self-determination, our sovereignty, our fatherland, and the enterprises of the people. It continues being the great defender of this democracy. We have been consolidating it in spite of the war, in spite of the U.S. aggression, and that has led to an unprecedented electoral process in the history of independent countries. Now we must regard this historical moment as a moment of victory for the people and, therefore, a moment of victory for the FSLN. This historical moment will entail the peace and stability that we have defended and for which so much blood has been shed and for which all Nicaraguans have struggled so hard.

All Nicaraguans must also be prepared to defend the people's interests, to defend the revolutionary achievements within the framework of the Constitution, within

the democratic political field, and with the opportunities granted by the revolution. All Nicaraguans have the same rights. The opposition had the same rights prior to 25 February. We will have the same rights after 25 April to make use of all those opportunities to defend firmly, with deep conviction, with constructive spirits, but also with that determination Sandino had, that moral force, that great force of the FSLN, that great force of the people to defend the people's interests, to defend the national interests.

That is why in the early morning hours of 26 February, when I addressed the nation over a radio and television network, I explained that this was a victory of the people, regardless of the results of the election. A journalist today asked me if I had been preparing that speech the night before and that is why I spoke early in the morning. I told him no, and that when I learned of the trend in the voting, it surprised me at first.

Later, we realized that we apparently had a negative vote. However, the vote counting at the Supreme Electoral Council [CSE] was being done all at once for the candidates for president and vice president, for the assembly, and for the other posts, so the vote counting was moving slowly.

We did not want to be influenced by the parallel vote counting that was being conducted by the observers and by some journalists. Around midnight or early in the morning I believe the CSE had counted 25 percent of the votes. We said that perhaps this could still change, so we had to wait. We could not rush things. There were still many votes pending. We then called the CSE to ask them at what time they would have counted over 50 percent of the votes. They told us they had counted a little over 60 percent of the votes, they had 50, pardon me, they had counted 50 percent of the votes from a little over 60 percent of the polling places. That day, at 0500 or 0530, 50 percent of the votes were counted. I said: Let's wait for the early morning vote count, as it is the official vote count, and we must pay attention to it. What does it show so far? Did the vote counting show a trend? If it did, we would have to draw conclusions from it. [Passage indistinct] because it would mean that there was [word indistinct] movement that was rather profound. If at that time the vote had gone in favor of the FSLN, I would not have said anything, because that would have meant there were two violent stances in the voting, that is, that the voting was very polarized. That meant we would have had to wait a little longer, because who knows what could happen with the other 50 percent of the votes?

However, early in the morning the same trend remained. It did not change. The trend that we learned since [words indistinct] of the electoral process. The trend did not change. So we had to accept that there was a real possibility that the majority voted for the opposition. That is the reason I went before reporters immediately after learning of the vote count report issued by the Supreme Electoral Council.

It is not ironic. It is not ironic. [repeats himself] On the contrary, I understood it as a message. I understood it as a message. [repeats himself] On 26 February I talked to my mother and many others. On 26 February I went to the cemetery, [words indistinct]. The 26th day of February is the anniverary of the death in combat of Camilo [Ortega's brother]. I said: I must accept this and understand this today [words indistinct]. Our heroes and martyrs are there, saying: We (?won), let us move forward! [applause]

[Announcer] Today we are celebrating National Journalists Day here with President Daniel Ortega Saavedra. At present, the president is being applauded by more than 500 journalists who have congregated to celebrate National Journalists Day here at the Nicaraguan Journalists Union, at the journalists' home. We are going to continue listening to President Ortega, who is presently being applauded—as we have already said—by more than 500 journalists, including foreign journalists from different press agencies and... [announcer interrupted by indistinct shouts] ...tonight domestic journalists celebrate our day with a great deal of enthusiasm and with....

[Ortega] I want to add something.

[Announcer] Let us listen to the president.

[Ortega] Of course, we have been discussing very sensitive matters, but I also want to say something that is basic. [Words indistinct] it is going to be quick. No, it is going to be quick. I simply want to tell you that in these next few days, in the name of the Nicaraguan people, I am going to give the Union of Nicaraguan Journalists six manzanas of land located in front of La Subasta. Financing and construction material will also be given so Nicaraguan journalists may construct their houses in this area. [applause, shouts]

Ortega Addresses Voice of Nicaragua Workers

PA0103222090 Managua Domestic Service in Spanish 1832 GMT 1 Mar 90

[Speech by President Daniel Ortega at (El Saco Anjoche Restaurant) in Managua to the workers of Voice of Nicaragua—live]

[Text] Good morning. [shouts of "With Daniel to the death"] Good morning, brother workers of the Voice of Nicaragua.

For over 10 years, the Voice of Nicaragua has been working and fulfilling a social, political, and economic mission in favor of the Nicaraguan people, the interests of the workers, and Nicaraguan society.

This station has broken all molds of official stations because during all those years it was the station with the largest audience in Nicaragua. It did so because it was at the service of the population and made its microphones available to the people to allow them to air their complaints, demands, protests, and viewpoints in a totally free manner. This was a true exercise of democracy

insofar as freedom of speech is concerned. This was a fundamental achievement of the revolution.

Fraternal workers of the Voice of Nicaragua: Led by Comrade Carlos Guadamez, you have managed to turn the Voice of Nicaragua into a station at the service of the people and a defender of the revolution's interests. On behalf of the Nicaraguan people and the Nicaraguan Government, I wanted to pay tribute today to the work you have done all these years.

We are dealing with a permanent, fluid process that does not stagnate; a process which becomes richer every day, and which culminated in the 25 February elections where the Nicaraguan people voted freely in this broad, democratic space that the revolution has achieved and which the FSLN [Sandinist National Liberation Front] has defended with the blood of its best sons and the sacrifice and heroic effort of the workers.

These 25 February elections are the victory of the great FSLN. At no time did we Sandinists say that our objective in holding the elections was to win them. Of course, we struggled with strength, energy, unselfishness, and sacrifice so the majority of the people could vote for the FSLN. The FSLN struggled to establish democracy so the people could have alternatives at the time of voting.

The people had before them two alternatives. One of the strongest alternatives told the people that the war would end, that the economic and social problem would end, and that this alternative enjoyed the U.S. Government's support. The other alternative, that of the FSLN, told the people that all would be better, that there would be peace, that social and economic conditions would be better, and that an understanding with the United States would be sought.

In other words, these elections were disadvantageous for the FSLN and not completely balanced and fair because the people had before them two alternatives, one backed by the U.S. power, the other one questioned by this power. Even so, the result of the elections confirmed the strength of the FSLN and its enormous power. The FSLN is still Nicaragua's largest and best party. The 40 percent of the people who voted for the FSLN confirmed that the FSLN is the party of the majority and composed of the best people.

This is a reality that nobody can ignore. There is no other party that even approaches the FSLN's strength. In addition, a great portion of the people who voted for the alternative did not vote for another party, but for another alternative for peace and economic and social conditions, backed by the United States. These people's hearts are with the revolution and the FSLN. Because this revolution had been subjected to many years of war and economic and social attrition, part of the population decided to try the other alternative, as if saying: We are with the revolution and Sandinism, but let's try these people and see if they are truly going to bring peace and economic and social improvement.

Therefore, we, the Sandinists and the revolutionaries, should feel proud of the election results, regardless of the fact that 40 percent of the population voted for this other alternative.

The importance of these elections is that the Sandinist Front has been strengthened. It has ratified once again that it is the majority's party, the largest Nicaraguan party, and the largest political force of Nicaragua. It has the most votes as a single party, a party that has a social base with much awareness. This social base is not a minority since no one can say that more than 40 percent of the votes is a minority. This is a social base that has demonstrated, under very adverse conditions, that it has a very high level of awareness and much political and ideological firmness.

This huge social base, which has demonstrated its backing for the revolution, for the Sandinist Front, and for our heroes and martyrs, together with the other social base—the one that because of the circumstances has given its votes to the first alternative—will defend the objectives we have been defending for years, objectives to which the new government is committed.

The objectives are: peace and security for all Nicaraguans; no reprisals against any Nicaraguans; no vengeance or violence against any Nicaraguans; and respect for the fundamental achievements of this revolutionary process.

Under such conditions, all of us working together with a sense of fatherland and nation can make this country advance. We have that obligation. We can turn into reality that proposition of the Sandinists that said after the elections we would have peace, stability, and economic and social development. This is what we want so that all the Nicaraguan people may benefit.

Our position as an opposition party is with the rank and file, in the midst of the people—where we have always been. We will be there governing from there, defending the fundamental rights of the people and the right to peace so that the fundamental achievements of the revolution are not touched. We will be there defending the right to economic and social well-being.

We will be there with the rank and file, governing with the rank and file, with that 40 percent of people who voted for us and also with the percentage that voted for the other option. When those who voted for the others do not agree with antipopular measures, we will be together fighting the antipopular measures and defending the people's interests. Whenever popular measures are defended, we will all together defend those popular measures.

What is important is that we have a constructive attitude, but we also have made the firm decision to defend the principles and basis of this revolution. Those principles are the only source of stability and security for all

the Nicaraguans. Only they can guarantee that peace and stability will be recovered and that the country can be reconstructed.

I want to tell all the companeros, brothers, and workers from the Voice of Nicaragua radio station that we are going to defend your rights as workers. All of us, together, will defend them. We are going to defend the job stability of all state workers. This radio station must continue playing its role as the voice of the people.

We have to protect this right and prevent the Voice of Nicaragua from becoming an official or progovernment station, like stations we have known in the past. It must continue to be a station at the service of the people, open to all Nicaraguans, open for all to voice their criticism against bad administration and to voice their recognition of a good administration. We must also struggle to prevent the role that the Voice of Nicaragua has been playing these past 10 years as a medium at the service of the Nicaraguan people from being denatured.

Viva the workers of Voice of Nicaragua! [Crowd shouts: "Viva!"] Viva the Nicaraguan people! [Crowd shouts: "Viva!"] Viva the Sandinist people's revolution! [Crowd shouts: "Viva!"] Free fatherland [Crowd shouts: "Or die!"] Viva Sandino! [Crowd shouts: "Viva!"]

Ortega on U.S. 'Responsibility,' Bush Letter

PA0203002090 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 1 Mar 90

[Report on statements by President Daniel Ortega at the Olof Palme Convention Center in Managua; date not given—passages within quotation marks recorded]

[Text] Nicaraguan President Daniel Ortega talked about the result of the elections and the Sandinist National Liberation Front [FSLN] victory, reaffirming that after so much sacrifice, the Nicaraguan people will not allow the destruction of the revolutionary process.

[Ortega] "They will bear a major responsibility in all of this, not just those heading the National Opposition Union but also the United States. The United States has to respect the fundamental gains of the Nicaraguan revolution. The United States cannot now think that because the opposition won it is time to liquidate the Nicaraguan revolution. [applause] Otherwise, the United States would be making the very serious mistake of provoking a greater confrontation here in Nicaragua. The United States would again be imposing a war on this country."

President Ortega said that Sandinists, as the opposition, are obligated to ensure that revolutionary gains and the rights of the people are respected.

[Ortega] "We are facing a major test in terms of the full exercise of democracy, where antagonistic forces may really wage battles in a civic manner in the political and ideological arenas."

Ortega reiterated that Sandinists will latch on to the people's hearts to continue defending the revolutionary process for the sake of all Nicaraguans. We are going to be a constructive yet active opposition, Daniel said. He also added that this situation is putting the peaceful, political, and democratic commitment of the Nicaraguan revolution to the full test.

[Ortega] "I received a letter from U.S. President George Bush that had a very constructive tone. I do hope that the policy the United States will follow in the face of the revolutionary change that Nicaragua is experiencing, in the face of the deep changes in Nicaragua, and in the face of a people who have national dignity and courage, and will consider all these factors so that its policy is constructive rather than destructive. The consolidation of peace and democracy in Nicaragua is up to them. Sandinists did all we could in this respect. We did our job. As far as I am concerned, I feel happy and I feel proud of having done my job."

President Ortega addressed hundreds of international volunteers who are in solidarity with Nicaragua. He told them that Sandinists will defend from below the right of these volunteers to be in Nicaragua expressing their solidarity. He said that international volunteers in solidarity with Nicaragua have earned the right to remain with the Nicaraguan people, precisely now that the people need them. The solidarity organizations, which met at the Olof Palme Convention Center, once again showed their support for the revolution. These organizations—from Europe, Latin America, the Caribbean, the United States, and Panama—concurred in their support for the immediate demobilization of the contras before the change of government. They also supported the FSLN wish to remain as an instrument of peace and social justice.

Arce Says Army Command Structure Cannot Change

PA0203005890 Paris AFP in Spanish 0009 GMT 2 Mar 90

[Text] Managua, 1 Mar (AFP)—Bayardo Arce, one of the nine commanders of the Sandinist revolution, has said that the command structure [comandancia] of the Sandinist People's Army (EPS) cannot be replaced by the new Nicaraguan Government.

Arce, who was the Sandinist election campaign manager, added that new Nicaraguan President Violeta Chamorro "may appoint whomever she wants in all the ministries."

Speaking before an assembly of Sandinist youths, Commander Arce pointed out that the EPS "is, according to the Constitution, the sole armed forces that represents the people, has its own by-laws, and its command structure [commandancia] cannot be changed [retirada] by any government."

The issue of transfer of power in the Army is one of the most delicate points in the political transition in Nicaragua following the defeat of the Sandinists in the 25 February elections.

Further on Arce View

PA0203150590 Managua Domestic Service in Spanish 1200 GMT 2 Mar 90

[Text] Commander of the Revolution Bayardo Arce, member of the Sandinist National Liberation Front's [FSLN] National Directorate, has declared that the Sandinist People's Army [EPS] General Command cannot be removed by any government.

Commander Arce pointed out that the Constitution stipulates: The EPS is the only armed institution that represents the people. It has its own regulations and commanders, who cannot be removed by any government.

Arce underlined that armies are never controlled by governments and parties, but have their own regulations. It will be very difficult for Violeta Barrios to make good a considerable number of her electoral campaign promises, because the fulfillment of many of these promises requires constitutional amendments and the president-elect lacks the votes to make these changes, Arce said.

Tirado Urges Labor Unions To Defend Achievements

PA0203020290 Paris AFP in Spanish 2317 GMT 1 Mar 90

[Report by Arturo Gudino]

[Text] Managua, 28 Feb (AFP)—The Sandinist National Liberation Front [FSLN] today urged the labor unions to "defend and increase the revolution's achievements" through "a civilized, constructive, and legal opposition" to Violeta Chamorro's government, which will be sworn in on 25 April.

Commander Victor Tirado Lopez, who is in charge of the FSLN's mass organizations, told Sandinist labor unions that becoming the opposition "does not imply acting in an adventuresome and arbitrary way, or sponsoring chaos and confusion."

Tirado gave a speech today at the headquarters of the Sandinist Central Organization of Workers (CST) that was clearly aimed at calming down hundreds of health sector activists and labor leaders who have yet to assimilate the FSLN's defeat in the 25 February general elections.

Tirado explained that the FSLN National Directorate knew how risky it was to wager power in an election, but it was done because "the revolution had to be legitimized through an election."

Dressed in civilian clothes and standing on a platform in front of large photographs of Marx, Sandino, and Lenin at the CST headquarters in this capital, Tirado Lopez said that "although the Sandinists do not seek revenge, we will defend what we have achieved through 10 years of revolution."

Knowing about the feelings of the activists, who assert that they lost the elections because the National Opposition Union (UNO) "distributed millions of dollars" among hundreds of thousands of Nicaraguans, who are called "turncoats," Tirado explained that the Sandinist labor unions must not become "sects."

"We must reconquer for the labor unions all the workers who, confused by the economic crisis, voted for UNO. The elections are one thing, but the labor unions, which must defend their associates' interests regardless of their political ideology, are another thing," it was emphasized by Tirado, member of the FSLN National Directorate.

Tirado, a Mexican who joined the Nicaraguan guerrillas 20 years ago, said that the FSLN will not act irresponsibly in the opposition, but will concentrate all its energies in defending the economic achievements of the workers, employees, and peasants.

"We are not interested in worsening the country's bankruptcy. Now that there is peace and we have defeated the aggression after a 10-year struggle, we will concentrate all our energies on the economic struggle, and that is where all the contradictions will occur," he stated.

The Sandinist leader emphatically stated that the FSLN, which had the support of 40 percent of the population in the elections, will not let the agrarian reform, freedom of the press, right to strike, free health services, and other basic principles of the revolution be countered by the new government. Referring to this, he said they will struggle to improve the workers' salaries and to achieve a price and credit policy that benefits the majority of the people.

Meanwhile, Gustavo Porras, secretary general of the health worker system, warned that they will demand "a 1,000 percent" salary increase when the new government assumes control, adding that they will also demand the creation of a civil service system so the government employees may not be removed from their posts. "We will even make sure that directors who are supported by the employees may remain in their posts," he stated.

Prior to Tirado's speech, several workers, mostly women, addressed their fellow members and stated that "we will make life impossible for the turncoats."

"We will crush them no matter what. We have the weapons and we will make them respect us," stated a young woman whose voice broke with emotion while the crowd shouted: "Not a single step backwards! Not a single step backwards! Power to the people! Power to the people!"

When Tirado concluded his speech stating that "the revolution's historical project has not been defeated because the revolution is invincible," the crowd

answered: "They will not stand it! They will not stand it!" The shouting shook the headquarters of the CST, which will have to carry out its labor activities in the opposition for the first time in its history starting in April.

Chamorro Endorses Unilateral Cease-Fire

PA0203162890 Managua BARRICADA in Spanish 1 Mar 90 pp 1, 5

[Text] President-elect Violeta Barrios de Chamorro endorsed on 29 February the Nicaraguan Government's decision to declare a unilateral cease-fire and described the initiative as a "step forward in the country's reconstruction."

Dona Violeta said during a news conference that President Daniel Ortega had sent her a message announcing the reestablishment of a cease-fire by the Sandinist People's Army; this would allow the contras to be demobilized immediately through International Support and Verification Commission, CIAV, measures.

The president-elect endorsed the government's decision and urged the contras "to lay down their weapons, pursue peaceful lives, and return to their homes." "The causes of the civil war have disappeared and there is no reason for you to continue being armed," she said.

Meanwhile, according to a report from Tegucigalpa, Honduras, contra spokesman Alejandro Acevedo has described the demands for demobilization as "madness." He said that he had told Mrs. Chamorro in a message that the demobilization will not be negotiated until she assumes power. Mrs. Chamorro made no mention of this during the news conference, however.

On 28 February, Chamorro publicly presented Antonio Lacayo, her former campaign manager, as her personal delegate in the talks concerning the terms and procedures for a peaceful transfer of power on 25 April with Defense Minister General Humberto Ortega.

During the news conference, which was held on 28 February at the Bambana Restaurant, Lacayo confirmed his first meeting with Gen. Ortega on 26 February. He added that it was held in a "cordial" atmosphere in the presence of Jimmy Carter, Elliot Richardson, and Joao Baena Soares.

Lacayo said "we have not gone into details yet," but explained that the necessary methods will be discussed for achieving an "orderly, peaceful, and democratic" transfer of power. He noted that it was agreed that frequent meetings would be held.

On 28 February, the president-elect confirmed her determination to comply with the agreements reached during the Central American summits held in Tela and San Isidro de Coronado. She said also that she expects to maintain diplomatic relations with all countries in the world, including those in the socialist camp, and that Nicaragua will continue to be a member of the Movement of Nonaligned Countries. President-elect Virgilio Godoy conditioned the relations on their being "mutually beneficial." The PLI [Independent Liberal Party] leader said that the new government expects to maintain fluid relations with all countries, but for "historical reasons," relations with the United States, Latin America, and Central America will be special.

In addition, Godoy said that his position concerning the presence of foreign cooperation workers is well known and he repeated the threat to expel them. "The internationalists that went around our country wearing red and black handkerchiefs will have to return to their countries and hold demonstrations there," he pointed out.

Regarding the Army, Dona Violeta said that Gen. Ortega "will have to relinquish power" and asserted that she will put a civilian in command. "Democracy means no to the olive green uniform; this is why the members of my cabinet will be civilians," she added.

Meanwhile, Godoy said that the size of the future Army must be in line with the country's needs. "This can be determined on the basis of suggestions from an international technical commission," he noted.

The start of the news conference was delayed for two hours. The president-elect was accompanied by her team of advisers, including Alfredo Cesar, Emilio Alvarez Montalban, Gilberto Cuadra, Francisco Mayorga, Pedro Joaquin Chamorro Barrios, and Antonio Jarquin.

Lacayo sat on one side of Chamorro and Godoy sat on the other side.

UNO Adviser Calls for $300 Million in Aid

PA0103142390 Paris AFP in Spanish 2308 GMT 28 Feb 90

[Text] Managua, 28 Feb (AFP)—Francisco Mayorga, President-elect Violeta Chamorro's main economic adviser, stated today in Managua that Nicaragua urgently needs a $300 million aid package.

A few minutes before, Mayorga had announced that a new Nicaraguan currency, called the Gold Cordoba, would be created; it would be equivalent to the U.S. dollar, and completely convertible.

During a conversation with journalists, Mayorga noted that he had studied the total amount of aid needed by Nicaragua and, despite the nonexistence of a true economic x-ray of the country, he calculated that approximately $500 to $600 million would be needed in annual credits for the next three years.

Mayorga asserted that Nicaragua had received clear offers for these credits, and that he trusted that the United States would quickly lift the commercial and financial embargoes imposed on Nicaragua since 1985. However, he stressed, we cannot expect the Nicaraguan economy to recuperate at once.

Mayorga said that nothing in the Nicaraguan Constitution—approved in full by the Sandinist regime—stopped the application of the new government's economic plan. He noted, however, that he does not intend to privatize the Nicaraguan National Bank or foreign trade.

What is important, he said, is the spirit with which one governs. According to Mayorga, Chamorro's government plans to redistribute idle lands.

Mayorga announced that wage-hike policies will be established and predicted that many Nicaraguan specialists who had left the country would return.

Godoy Discusses Election Results 25 - 26 Feb

PM0203115290 Paris LE FIGARO in French 27 Feb 90 p 4

[Interview with Vice President-elect Virgilio Godoy by Irene Jarry in Managua on 25-26 February—first paragraph is introduction]

[Text] Managua—"It is not a victory. It is a miracle." On the night of 25 February to the 26th, shortly after the announcement of the first results, Vice President-elect Virgilio Godoy granted an interview to LE FIGARO while he was walking to the offices of the National Opposition Union campaign headquarters. The vice president, who was very relaxed and accompanied by three cooperative bodyguards, answered questions while walking and shaking hands.

[Jarry] It was said that you did not expect victory. Is that true?

[Godoy] Yes, it is true. We ourselves doubted this victory. There were so many obstacles. We had to overcome the Sandinistas, the fear that they have long instilled in the Nicaraguans, and even our own divisions. We had the whole Sandinista apparatus against us—its radio stations, its newspapers, and its television networks.

We were also confronted by a large part of the international community and the hostility of many diplomats in Managua. And yet, we won. The Nicaraguan people have rejected 10 years of poverty, 10 years of suffering. They have placed their trust in Dona Violeta and me to establish an authentic representative democracy in Nicaragua.

[Jarry] What will the first measure taken by the National Opposition Union government be?

[Godoy] One of the first decrees that will be adopted after the transfer of power on 25 April will be to eliminate the compulsory two years' military service introduced by the Sandinistas. This military service prompted many young people to go into exile. We must reassure these young people and all mothers in this country. We do not see the need for this military service, whereas Nicaragua needs all its young people for production.

[Jarry] How do you intend to overcome the economic crisis?

[Godoy] With sound management and the international community's help. The Sandinists forced this country to make a disproportionate military effort. We will considerably reduce the defense budget. We will also considerably reduce the number of soldiers. This country does not need to defend itself, but to produce.

[Jarry] Do you intend to form a coalition government with the Sandinistas?

[Godoy] We will pass through a transition period, which should lead to national reconciliation. But, although we envisage some form of cooperation, there is no question of a coalition government. There is no reason for us to share this victory. It is not a half-hearted victory because we also have a majority in the National Assembly. We agree to have discussions with all political sectors. Yes to consultation, but no to coalition. The Sandinist National Liberation Front will now have to get used to being in opposition.

Panama

Endara Speaks at Assembly Installation 1 Mar

PA0103230190 Panama City Television Service in Spanish 1709 GMT 1 Mar 90

[Speech by President Guillermo Endara at the installation of the National Legislative Assembly at the Legislative Palace in Panama City—live]

[Text] His Excellency President of the Legislative Assembly, His Excellency President of the Supreme Court of Justice, Their Excellencies Vice Presidents of the Republic, Their Excellencies Ministers of State, His Excellency Comptroller General of the Republic, His Excellency Dean of the Diplomatic Corps Jose Sebastian Laboa, who is my friend and protector and the apostolic nuncio of his holiness the pope. [applause]

Their Excellencies heads of diplomatic missions accredited in Panama, His Most Reverend Excellency Archbishop of Panama, Their Excellencies Deputy State Ministers, Honorable Legislative Assembly Legislators, Directors of autonomous and semiautonomous institutions, Honorable Magistrates of the Supreme Court of Justice, Attorney General of the nation and Prosecutor of the administration, Magistrates of the Electoral Tribunal, Provincial Governors, Mayors of Panama City and San Miguelito, ladies and gentlemen, and fellow countrymen:

Our first formal meeting should have taken place on 1 September. There should have been a constitutional, peaceful, and orderly transfer of power in the executive and legislative branches. These two branches should have been renewed in keeping with the will of the people expressed in the 7 May 1989 elections.

Unfortunately, far from an orderly renewal, we suddenly were faced with chaos created by an absolutely inept pseudo-government, which without any legal or moral authority refused to recognize the principle of the transfer of power that characterizes democratic systems.

We had reached such levels of deterioration, frustration, and paralysis that by late 1989 many of us doubted that the country would survive for much longer. We lived in a tense society. Anxiety and anguish reigned among the people because we could not control our fate, because we did not know what our destination was, and because we did not know what the fate of our families and future of our children would be.

Everyone was commenting only about how we were growing materially and spiritually poorer as time passed, and many were planning to spend their future in other lands. Each day was worse than the previous one. The country was crumbling. The quality of life had reached an alarming level.

We were receiving postdated checks and had greater unemployment. We were urged to resist until the year 2000, because, of course, those who were saying that to us were well stocked with good food and liquor, lived in pharaonic luxury and enviable comfort, enjoyed excellent medical assistance, and believed they were protected by secret and supernatural powers.

The country's reconstruction, which we are embarked on today, is not theoretical or abstract. It is palpable and real and affects all of us, because all of us in one way or another have been victims of physical, moral, or economic violence. Therefore, the task of reconstruction concerns all of us. It is not only a task of those of us who are called to govern in the next few years.

We, the government, might have the best intentions and best wishes to make adjustments and progress. However, everyone else in the rest of the country, and each one in the post he holds, should share the same ideals and make the same efforts with the same determination and desire to work.

Today, we take another firm step toward the reconstruction of the country as we initiate this period of sessions of the Legislative Assembly. It is a branch of the government whose function is so basic for the exercise of a genuine democracy. In a democratic regime such as the one we want to build in Panama, power emanates from the people. Power does not emanate from anywhere else. It does not emanate from force, weapons, blood, heritage, wealth, or the intellect. The fact that this very important, yet simple, principle was forgotten is the reason why so many regimes crumble today. This principle was disdained and pushed aside during the last 21 years, to the point that it led to absolute power with no responsibilities toward anyone and to a rotting and filthy corruption of the administration of our country.

That is why we must not forget that we—you and I—are representatives of the people. Let us not forget that we act on their behalf to achieve well-being and happiness. Let us not forget that we have been granted confidence, and we must never disappoint the people.

I think the Legislative Assembly should make the aspirations and ideals of the Panamanian people come true. It should reflect the people's concerns, and it should help strengthen civic and moral values. Let us not forget that, as political leaders, we are—whether we like it or not—examples for our voters. Therefore, our attitudes and actions might have a greater influence than our words. You and I are public workers, and we cannot serve our own interests or any interests other than those of the Panamanian nation.

I am proud to represent the will of the Panamanian people, and I reaffirm that this government belongs to all, absolutely everyone. However, with that same spirit, I also wish to reiterate that I am a Panamenist president, an Arnulfist, born from the nationalist womb of the party of Dr. Arnulfo Arias Madrid. [applause]

There is no contradiction between these concepts, because Arnulfism has been a school for the people, an instructor of the Panamenist ideology, and a melting pot where Panamanians of three generations can recognize themselves. From this stems my commitment to the people, to the Panamanian masses, who have always seen in our struggle the struggle of everyone, the Panamanians of the countryside and of the city. With the support of the people and of the government team, we will all work shoulder to shoulder to direct the course of the country, which has been battered by 21 years of unbridled dictatorship.

I find support among the people. All of my acts are directed at serving it, without selfishness and without obstacles. You have been elected by the people with a basic purpose: to legislate in the interests of the country. Your primary function will be to issue the laws that are necessary to fulfill the objectives and the exercise of state functions. We, the executive branch, who have also been elected by the people, must obey the laws, ensure their strict fulfillment, and set the general political course of the nation.

We must act according to the political constitution, each within his field of action, but in harmonious cooperation. This means, as I interpret it, that the legislative branch will find in my government the most respectful recognition of the legislative prerogatives and other functions that the political constitution assigns this chamber, and that it will be ready to cooperate in its fulfillment. It will also demand of it, on a basis of reciprocity, identical respect for the rights and duties of the executive branch, and both must profess the same principles toward the judiciary branch.

The constitution outlines as a task of the president of the Republic the presentation of a message on matters of the administration at the beginning of each legislative term. A few weeks after being inaugurated and having integrated and installed a government in circumstances as

exceptional as those which we have just experienced, permit me to present that message with broad brush strokes to emphasize some areas of our immediate concern.

We encountered an exaggerated and unnecessary militarism. The state has spent more on weapons than on books, more on rifles than on vaccinations. Nobody has been able to give me a rational explanation yet for what healthy purpose such militarization was necessary. I know that the Panamanian people do not want it and will not permit it. We do want, yes, a national police that will give us personal security and security for our families, that will support necessary order, that will protect decent persons, that will respect common citizens, and that will be worthy of equal respect in exchange. It must also be energetic against crime, anarchy, and disorder. We want to sleep in peace and be able to go fearlessly through all the corners of the country. That is why the president of the Republic is the supreme commander of the new Public Force and its top authority. [applause] The new Public Force is formed by the National Police, National Air Service, and National Maritime Service. Each one of these organizations is under a different command and subject to civilian authority.

We found a public work force that was confused and bewildered. For many years public workers had been manipulated—nobody can deny this—by false prophets who never took the time to stimulate them in accordance with their abilities or give them incentives for their dedication and efforts. Fortunately for the country, most of the public employees were not tricked by sirens' songs or passing temptations. I assert to this dedicated and honest public employee, to this true public servant, that he will be a respected employee. However, I assure those who thought or think that my government is a political booty or some sort of a prize and not an opportunity to serve, those who think more of their rights than of their duties, that my government will neither be a refuge for idle or vain employees nor a haven for criminals who have committed misdeeds. [applause]

We found a frustrated and oppressed productive sector, but, despite all it had suffered, a sector still willing to work. Agricultural production has decreased and many producers have been forced to cease activities because of the past government's absurd and arbitrary policies. The producer was asked to plant, to go into debt, and to work as hard as he could. Later, when he was ready to harvest his crops, importation was opened to propitiate the shady business deals of the regime's favorites, or contraband was allowed for those with the license to be corsairs. The producer who had taken the risk, trusted, and worked, ended up alone, unprotected, and counting his losses and debts. We need clear and coherent policies to stimulate the national production of abundant, good, and inexpensive products that can reach the consumer quickly.

We found a government that managed public funds in such a disorderly and irresponsible manner that any housewife who manages a home could have given classes to those financial experts who managed the country without a budget, God, or law. These experts managed the country under the premises of: Let us party with what does not cost us! [applause] They have left us a government in debt, with overdue payments, and with the coffers literally empty. That fiscal and budgetary anarchy is now over. [applause]

My government, together with the strong and efficient fiscal policy of the Comptroller's Office—which we invited to join us—will scrupulously manage the public funds. We will view the national budget as a technical work tool and as a means to attain our large national objectives, and not as the administration's petty cash box used to grant favors or bestow privileges.

We found the highway system in a complete state of disrepair. Any driver can see this for himself on any of the country's roads. Of the nearly 9,700 km of roads that cover the country, only one-fourth of them are in good condition. The rest—mostly roads for producers, which are so necessary to bring agricultural products to the city—are unusable or require urgent repairs.

We found an increasingly deteriorating electrical power system—especially the generators—throughout the country. If economic activity recovers and electrical power demands return to the 1987 levels, then we will have to ration power with undesirable blackouts. We require an investment of more than $100 million to be able to meet immediate future demands, and a far greater investment to face demands in upcoming years.

We found an incredible situation in the potable water supply. In Panama, about half the water used is not even billed, but is given away. Of the water billed, less than one-fourth of it is metered. The remaining consumption is estimated. Meanwhile, great areas near the capital are without water. There is a five-year delay in increasing the capacity for water processing and water distribution in the country's most important cities. In the capital alone, millions need to be urgently invested.

We found a deficit in low-income housing of over 200,000 units. We found 7,500 classrooms in schools all over the country in a state of disrepair or in an unsatisfactory condition. More than 14 percent of all Panamanians are illiterate. Teachers have not been able to work because of a lack of funds and because of a lack of deserved support from the administration. I believe that teachers are responsible for shaping the best resource the country has; therefore, this job is top priority for me and for my education minister, and will receive my full support. [applause]

We found serious malnutrition problems all over the country. We know that about one-fourth of the children who enter official schools for the first time are severely or moderately stunted in growth as a direct result of malnutrition.

Malnutrition obviously not only affects the size of children, but their other physical and mental functions. Therefore, I am very concerned about all the human resources that have deteriorated in our country for lack of adequate nutrition, and which—under other circumstances—could have contributed so much to our development and progress.

The unemployment problem is terrifying. Although we do not have any exact figures on this, some estimate there is a 30-percent unemployment rate in the Panama City metropolitan area. My government will stop being the chief employer and will become the greatest promoter of employment in the private sector. [applause]

The government's doors are open, and we welcome anyone who wants to approach us with good ideas and with plans to complement the plans we already have for creating proper and productive employment. Our people are impoverished. It is estimated that, today, 44 percent of the total population of the country—nearly half of all Panamanians—do not have enough money to finance their basic needs of food, housing, clothing, and health. It is so sad to say this, and so shameful to admit that such is our situation at the close of the 20th century.

Veraguas, Darien, and Cocle are the poorest provinces. There are families in those areas that are so indigent they have no possibilities of meeting their minimum nutritional needs, even if they devote all of their income to purchasing food. How can any Panamanian, with a strong body and mind, grow in such an atmosphere? I am going to devote my government's efforts to rescuing the poor, the indigent from Veraguas, Darien, Cocle, and from the remainder of the country. That poor, indigent person is a Panamanian, a dignified human being who has as many rights as any member of the upper class in Panama City. [applause]

We learned that the judicial branch was unfortunately neutralized by a lack of independence from the military and the executive branch. Never again! I appointed a Supreme Court of Justice, taking into account only the capabilities, experience, and honesty of each magistrate. I have promised to respect their independence.

The Supreme Court is obliged to safeguard the integrity of the constitution and ensure a free, expeditious, and uninterrupted administration of justice. I will not meddle in their actions and will respect their rulings. The tidying up of the judicial branch is now a reality that has already achieved some progress. This is only an example of what we want and will implement in other areas of public administration.

We learned about the most horrible murders, which shook our consciences. All of us expressed solidarity with the victims' grieving relatives and their demand for justice. However, all this fell on deaf ears. And in an example of distorted values, the victims were deemed to be the criminals for having demanded justice, and the criminals were blessed and protected for having courageously fulfilled their duty.

In a little less than two months, the new authorities of the Government Ministry have been able to progress in the investigation of many of these shameful and painful cases, much more so than was achieved during so many years of dictatorship. We found ourselves with a professional class that had been persecuted as never before in Panamanian history. Doctors, lawyers, teachers, professors, social communicators, economists, engineers, architects—in short, anyone who dared to think on his own and to speak his own mind was openly or covertly punished for his boldness. I have issued instructions to repeal provisions that attempt to interfere with the effective and free exercise of any profession. It is time that we respect the Panamanian professional and recognize his contribution to society.

We found ourselves with an absolute disrespect for human rights and a deep hatred of the dignity of human beings, thus violating not only the Panamanian Constitution and laws, but also international agreements signed by our country. If man is not respected, his physical integrity, his freedom, and his thinking cannot be respected. Hatred of freedom of expression was only one of the sequels of that disrespect. Whoever considers himself superior to his fellow beings also considers himself the master of their minds, with the right to decide what they can think, speak, hear, or write.

We found ourselves with a country in a generally chaotic situation. Nobody wanted war in our country among our citizens or with the participation of foreign troops. Nobody, except the usurping military and the civilians who served them. They did not want to recognize the people's will. They were incapable of doing what Daniel Ortega has just done: to decide that they had lost the elections. [applause] They did so in 1984 and repeated it in 1989. They beat us and persecuted us. They occupied the country and were disrespectful of our history and our honor.

The entrance of the U.S. troops in Panama should be noted within that context. It would not be just to see it in any other light. The Panamanian people welcomed the U.S. soldiers as friends, not as invaders. President Bush had a difficult choice, but assisted our struggle for freedom, and we Panamanians will remember him for this. [applause] His statements about the importance of democracy on our subcontinent are an important historical commitment. Superficial critics should understand this, because this is an about-face from past U.S. policies and opens a new era in inter-American relations involving the predominance of peoples' rights over those of dictatorships. [applause]

The immediate reaction of President Bush on the need to support the regained liberty with a program of economic assistance and with the resumption of the lines of international credit for the Republic also fits in with his decision to make changes in the subjugated countries from Romania to Nicaragua. The $1 million and the freeing of the Panamanian funds that had been frozen are the key to the immediate recovery of the situation of

our citizens. My government has already prepared the responses that range from the solution of unemployment to the recovery of the agrarian sector, but this aid must arrive immediately, because our problems are urgent.

We do not and should not want to organize policies based on charity—nor can we. We have to recover based on our own efforts. We want to implement our policies soon, and we hope that no force in the United States will place obstacles before the arrival of aid to our country.

Mr. President of the Legislative Assembly:

The de facto situation found by the vice presidents and myself when we were sworn into our posts in December 1989 obliged us to take some measures, ordered by our common sense and sound minds. Now that the Legislative Assembly has been installed, these measures are unnecessary. The 21 December 1989 statute for the immediate return to a full constitutional order has fullfilled its purpose, and I declare it repealed and without future effect. [applause]

I take this opportunity to announce that very soon the executive branch will present a bill to this legislative body to amend the constitution for the honorable legislators to study and debate. According to the Constitution itself, if these amendments are approved, the bill must be considered by the next legislature, and would then be subjected to a people's consultation in a referendum that will allow Panamanians to make the final decision on these reforms and to reaffirm the democratic principles that have heralded a new era for our Republic. Furthermore, this referendum will make evident the degree of acceptance of the Panamanian people—who overwhelmingly elected it in the 7 May 1989 elections—for the present government. [applause]

In conclusion, allow me to express some of my thoughts. First, much has been said in the past years about nationalism, love for the fatherland, patriots, and traitors. I want to place these concepts in their correct perspective and state our position on them.

Those who shout their love for the fatherland are not the ones who love the fatherland the most. Those who scream their nationalism louder are not the most nationalist persons. Those who take a rifle to defend the fatherland from invented enemies are not more patriotic. Citizens who tell them that they are only defending the fatherland from ghosts of their own creation are not traitors. The pharisee who hits his chest while he steals public funds to surround himself with luxury and riches that he denies to his countrymen is not a better patriot. [applause]

Love for the fatherland is sacrifice. The person who loves the fatherland is willing to sacrifice himself, to deny himself welfare and comfort, to work for it and not destroy it. [applause] The person who loves the fatherland is willing to give the best of himself, and not search for any kind of reward other than the intimate satisfaction of knowing that it is strong, firm, progressive, and respected. I want my fatherland to be this. To attain this goal, I will continue to work with all my energy and dedication to give it the leadership it requires, and to use all the powers and prerogatives given to the president of the Republic.

Let no one doubt the firmness of my resolution. I want to see Panama owner and sovereign over all its territory. [applause] I want to see Panama having undisputed ownership of all its resources, and exploiting all of them for its own benefit. [applause]

In this respect, I reaffirm my government's scrupulous respect for the 1977 canal treaties, as well for the country's international commitments. I want to see Panama respected in the community of nations, because Panama respects itself and its people, and because it participates without complexes or fear, aware of its own worth, in all its international relations. In this context, I hope to improve relations with all the brother Latin American countries, whose governments are already expressing their desire to reactivate the friendship we have always had, once they learned the true facts. I want to see Panama thriving and in peace because hard-working and educated people with critical minds share the ideals of democracy, justice, and liberty, and love the truth. [applause]

The second reflection is that democracy does not just entail the right to elect and to be elected every five years. The existence and scope of democracy go beyond the electoral process. Political democracy is experienced and felt every day. It constitutes a lifestyle that allows citizens to participate one way or another in the government decisions that affect or may affect him.

For that purpose, drafting laws and approving administrative regulations and resolutions must be open to all sorts of interested opinions, so lawmakers and the electorate, the rulers and the ruled, have the opportunity to give views and to be heard. Ultimately, the country belongs to all, not to one ruling group.

To end, I ask: Have we truly achieved liberty? Or just the possibility of being truly free for the first time in these dark years? Let us not deceive ourselves. I think it is the latter. We can at last hope to be free, but we are still not free, and we have a long way to go. We will be truly free when every Panamanian has equal opportunities to grow, wholly, as a human being made of matter and spirit. We will be a free society when this society provides each person the true possibility of choosing and forging his own destiny, without the encumbrances of poverty, ignorance, disease, or illness.

We will be a free nation when we are able to breathe optimism, self-confidence, tolerance, and pride in our cultural, moral, civic, and religious values. That is the aspiration of the people who elected us, and that is the objective of my government. Thank you very much.

I want to make an announcement, if you will permit. We are entering a period of the year that is very significant

for Christians. The Lenten season is an appropriate period to emphasize the responsibility that we all have toward one another, as brothers. It is equivalent to unlimited human solidarity and is synonymous with fraternity. By an act of providence, I sit in the Presidency of the nation today. Although it will appear to be paradoxical, that fact has brought me in contact more than ever with the sorrow and suffering of the Panamanian people.

I see the anguish of the mother who puts her hungry child to bed at night, and the one who approaches me asking or begging for a job opportunity to be able to take food home. I see the misery of those who rummage through the foul-smelling garbage of Cerro Patacon for a piece of something, a fruit that someone more fortunate than he tossed out as spoiled. I see the suffering of those who do not have a roof to shelter themselves from the severe Panamanian sun, and who soon may not be able to find cover from the tropical rain, and of all those who recently lost their homes. I see the desperation of those who lost their jobs and find themselves drifting in the face of an uncertain future. I see the sorrow of one who shares a hospital bed with another, adding to his physical pain the dehumanizing and uncomfortable position of not being able to do anything. I see the frustration of the peasant who has not been able to cultivate his land, and of the one who lost his harvest because of lack of irrigation or excessive blight. I see the hunger in the face of the Guaymi Indian, the hunger of so many homeless who amble through the streets of Panama or who live in cramped quarters in Colon. I see the impatience of those who live without water in Tocumen, and I also see the anxiety of those who clamor for justice, justice. What more would I like than to have the means and resources at hand to rid them of that sorrow!

For them and for many others who are suffering, who are Panamanians, who are my brothers, for them I have decided to begin a fast today. It will be a fast of solidarity with my fellow citizens who are sufferiing, a fast to show my sympathy during this Lenten period. It is a fast so all Panamanians of good will can remember that there is distress in our country and that that distress bites the flesh and bone and stomach of fellow beings who are as human as the ones who are here in this room today.

I will be fasting at the Metropolitan Cathedral in front of Independence Plaza, and praying for our future and that of our fellow citizens. However, I will also be working day in and day out in the coming days, in communion with our people and with my government team, to resolve—within the extent of our current possibilities—the problems that beset us. I have announced my decision to fast as of today in the Metropolitan Cathedral to His Excellency The Most Reverend Monsignor McGrath, our archbishop, who has understood the justness of this fast, as well as to the political leaders of the civic government alliance, who support this act.

I hope that the honorable legislators will understand me, and that all my fellow citizens will see in my decision my steadfast desire to do all that is possible to set in motion the solutions to which we all aspire and which we still cannot carry out as long as we do not have the necessary resources to do so. May God enlighten those who must make the decision to join efforts to provide us the necessary financing to resolve the most pressing problems of our country. Thank you very much. [applause]

PRD Legislator Discusses Walkout at Assembly

PA0203005090 Panama City Circuito RPC Television in Spanish 2300 GMT 1 Mar 90

[Text] The PRD [Democratic Revolutionary Party] bloc today attended the inaugural session of the Legislative Assembly but later walked out. PRD Legislator Gerardo Gonzalez was approached by the local press:

[Begin recording] [Gonzalez] We walked out to protest the absence of about 15 companeros who were arbitrarily denied their credentials to be here with us. We will use this forum as a trench from which to achieve this country's independence.

[Reporter] As a PRD member, what do you think of the charges facing certain members of the PRD bloc?

[Gonzalez] They are all groundless fabrications. We will defend our companeros' right to be here. That is the last straw, because besides stripping us of 15 legislators, they still dare to threaten those of us they could not eliminate, because it would have been a scandal to the legislators-elect in the proportional representation circuits of Panama City.

[Reporter] What is your opinion of the Endara Government?

[Gonzalez] What?

[Reporter] What is your opinion...

[Gonzalez, interrupting] This is not a national government. This is a colonial government. I have the structure—hand me my briefcase—where... [changes thought] There is a U.S. security chief in the Presidency, and there is a U.S. team in each ministry and institution issuing orders.

[Reporter] Why do you not give up your seats then?

[Gonzalez] We will not give them up precisely because we would have virtually no means through which to nationally and internationally denounce the crime that has been committed against this country.

[Reporter] The PRD used to enjoy the support of the Panama Defense Forces. It currently has no active leadership because it lost the support of military leaders. Would you comment on this?

[Gonzalez] We have a very active leadership in the Assembly. We have a CEN [National Executive Committee] that is also ready to fight on. We are an organized party, just wait and see.

[Reporter] What is your assessment of the mistakes made by the government of General Noriega?

[Gonzalez] We will discuss that at the Assembly in due time. [end recording]

Endara Office Moved to Cathedral Where He Fasts

PA0203043590 Panama City Circuito RPC Television in Spanish 2312 GMT 1 Mar 90

[Report from the Metropolitan Cathedral in Panama City by unidentified reporter on 1 March—passages within quotation marks recorded]

[Text] [Reporter] The president of the Republic began a fast today that will last for an indefinite period of time. President Endara announced the following during his speech today at the installation of the Legislative Assembly: For all these reasons and for them, I have decided to begin a fast as of today in solidarity with my fellow countrymen who are suffering.

The president has already begun his fast, and early this afternoon, and as you may observe, the Metropolitan Cathedral became his new office. Many persons were surprised to hear of the president's fast.

[Endara] "I must admit I have a hearty appetite, and I am a man who likes to eat. However, I cannot enjoy a meal now. I feel I should not enjoy good meals now when there are so many Panamanians going hungry because they have no jobs or for other reasons. I must share the people's sorrow, and that is the reason I am fasting."

[Reporter] Although in his speech before the Legislative Assembly the president asked God to enlighten all those who must decide on the financing we need to solve the most urgent problems of our people, Endara pointed out there are no political motives behind his fast.

[Endara] "This is basically an act of commiseration with the people, with the people who are suffering, with the Panamanian people who are suffering. This fast has nothing to do with any aid or international situation."

[Reporter] There is no set date for ending the fast, and although the president has said the fast will last as long as his conscience so decides it, the poverty and difficult situation of the Panamanian people still prevail.

[Endara] "I will continue working in the cathedral. I will carry out all of my duties as president of the Republic. I will be working in the cathedral, but I will be fasting and praying for the future of the Panamanians."

[Reporter] Some persons, including his mother and fiancee, feel this is an act of solidarity with the most needy Panamanians.

[Elsa Galimany de Endara, the president's mother] "I consider this something saintly; it is a sacrifice. I feel that he who makes a sacrifice will be rewarded."

[Ana Mae Diaz, the president's fiancee] "I think this is a very just thing. I think it is just that he join those who are going hungry and experiencing so many problems. I also think it is just, because this will move the hearts of others who could very well give economic assistance to this country so he can do something for this country."

[Reporter] Throughout the duration of the president's fast, the Metropolitan Cathedral will continue being the focal point of news for local and international reporters, under strict security measures. Presidential guards have surrounded the church and are mounting an around-the-clock guard.

Ambassador to U.S. Announces Aid To Arrive

PA0203042290 Panama City Circuito RPC Television in Spanish 2309 GMT 1 Mar 90

[Text] Panamanian Ambassador to Washington Eduardo Vallarino stated today that on 7 March the Panamanian Government will receive the $20 million of the U.S. funds allotted for the reconstruction of El Chorrillo neighborhood, along with the $12 million for public works.

[Begin Vallarino recording] This is the result of some time periods within U.S. legislation for disbursement of the aid that has already been approved. All of this is beginning to arrive, but we must wait for these periods of the U.S. legislation.

I can vouch that the U.S. officials are breaking their own records in expediting this aid. Unfortunately, there have been some delays, and, unfortunately, it has not been sent sooner. We all agree on that. [end recording]

PTJ Director Views Crime, 3 October Executions

PA0103132690 Panama City Circuito RPC Television in Spanish 2300 GMT 26 Feb 90

[Text] Several soldiers who are suspects in actions related to the attempted coup against of the former Defense Forces [FDP] on 3 October 1989 have been arrested. Judicial Technical Police [PTJ] Director Leslie Loaiza explains. He first speaks about the crime rate.

[Begin recording] [Loaiza] I believe this month will end with a reduction in crime. Concerning murders, 25 cases were reported in January. In February, to date, there have been 27 murders. However, I want to clarify that some of these cases correspond to charges filed by relatives of soldiers killed during the 20 December incidents. This is the reason for the high number of cases. February will register a decrease in crime. However, the level of crime is still worrisome.

[Reporter] What is the status of the investigations into the murders during the 3 October coup?

[Loaiza] Concerning the executions, aside from Major Moises Giroldi, about nine or 10 other officers were killed. As far as the PTJ is concerned, we, along with the

Assistant Prosecutor's Office, are about to send hearing documents to the prosecutor general. Several suspects linked to the 3 October executions have been arrested. Among those arrested are Captain Evidelio Quiel, chief of the FDP frogman unit; Captain Camilo Vega; and Sub-Lieutenant Lenin Miranda. Captain Asuncion Gaitan is among the suspects actively involved, and is currently at the embassy of the Holy See, where he sought refuge. Captain Gonzalo Gonzalez, who sought shelter at the Peruvian Embassy, is also a suspect. There are about 12 other lower rank officers involved in the 3 October executions. [end recording]

El Chorrillo Homeless Block Bridge of Americas

PA0203035490 Panama City Circuito RPC Television in Spanish 2322 GMT 1 Mar 90

[Text] Out of despair, the homeless from El Chorrillo neighborhood in Panama City today blocked the Bridge of the Americas to exert pressure on the national government to solve their housing problems. The people from El Chorrillo were left homeless following the U.S. Army invasion, when, according to eyewitnesses, their homes were set on fire by armed individuals who supported the ousted Panama Defense Forces Chief Manuel Antonio Noriega.

Although the El Chorrillo homeless have exerted pressure on President Endara's government in several ways, their demands have not been met because of the precarious economic situation of the national government and the fact the U.S. aid that was promised following the invasion has been delayed. Out of despair, the demonstrators blocked the bridge for several hours today, violating international rules.

Ricardo Arias Calderon, first vice president and minister of government and justice, arrived on the scene and said:

[Begin Arias Calderon recording] A definite agreement with AID will be signed on 7 March. The president of the Republic will sign the agreement, and each family requesting it will be granted a 6,500-balboa loan for housing. [end recording]

Arias Calderon then invited the El Chorrillo people to walk to the Metropolitan Cathedral, where he would meet with President Guillermo Endara, who is fasting in the cathedral in solidarity with the people who are suffering.

Argentina

Menem, Economic Minister Support Economic Plan

PY0103143690 Buenos Aires TELAM in Spanish 2316 GMT 28 Feb 90

[Text] Buenos Aires, 28 Feb (TELAM)—President Carlos Menem today denied that the government is planning to create a new currency or intervene in the foreign exchange market. Menem confirmed that the government will maintain the current economic program and blamed businessmen for a possible "collapse" of the market.

Menem stressed that the government marches "on the right path, the correct road" and said to "be assured" that "we will fulfill our goal of changing Argentina into a great country, there is no doubt about it, but we have to be patient and wait a little because we cannot make miracles in six months."

Asked if the government had plans to change the currency, Menem reiterated: "No, no, there is nothing on that." Regarding the rumors stating that "four containers with printed currency are waiting at the port," Menem said it was "just another rumor."

Asked if the government was studying a new economic program, Menem said: "Do not ask about that again, dismiss it altogether." Menem also denied that the government was studying measures to intervene in the foreign exchange market.

When asked if he felt that businessmen had let him down Menem said "some yes, some no". Menem made this statement at the metropolitan airport's military base shortly before leaving for Uruguay, where he will attend Luis Lacalle's presidential inauguration.

Regarding the Argentine Industrial Union's warning that the sector "is beginning to collapse", Menem said "they are responsible for that" and stressed that "the state has granted the broadest liberties demanded by the business sector; freedom of prices, salaries, type of exchange rate. They have it all, so if there is a collapse they, and not the government, are to blame for it."

Economic Minister Erman Gonzalez denied the possibility of a "bank holiday" and "a new currency." He asserted that, "shortly", the government will announce measures "to further adjust the fiscal performance of the markets, especially the exchange market."

Gonzalez, in a statement to Radio Mitre, denied an increase of tariff rates and explained that the new measures will be announced "once the economic team has finished studying them, they are reviewed by the national Cabinet, and submitted for consideration to the president of the nation."

The minister said the dollar "is behaving erratically, without any technical or economic reason," but that "other reasons could be named" for this behavior. Gonzalez added that an "attempt will be made to get rid of the market influence those other factors have for clarity, openness, and calmness."

Gonzalez said that "it is a vicious circle: The businessmen say they increase their prices because the dollar increases, and those who handle the dollar exchange rate say the rate increases because prices increase. Therefore, we will have to sort this out in order to establish an open market."

When asked how this vicious circle will be broken the minister answered: "The economic team will soon announce how it intends to break this circle."

Gonzalez said that "a truce is absolutely necessary for a mature country that must become aware of the situation we have inherited, which is affecting all sectors of the community, and which we have still not been able to overcome." The minister explained that the truce "entails a commitment by the parties" to change "their current behavior—that is, an every-man-for-himself attitude."

The minister also "fully" denied rumors about an imminent change of currency and announced that he will "soon" travel to the United States as part of the economic team's search for "foreign financial aid to strengthen and contribute to the economy."

New Measures To Be Announced 4 Mar

PY0203021890 Buenos Aires TELAM in Spanish 0023 GMT 2 Mar 90

[Excerpt] Buenos Aires, 1 Mar (TELAM)—Tonight Public Revenue Secretary Raul Cuello revealed that the economic team today studied—in consultations with Justicialist Party politicians and economists—the economic measures to be announced on 4 March to implement a "hyperstabilization shock" [shock hiperestabilizador].

The working sessions, which formally began today at 1700 and are not yet over, are a continuation of the ones that began yesterday, with the participation of the cabinet members, Buenos Aires Governor Antonio Cafiero, former Santa Fe Governor Jose Maria Vernet, and former Finance Secretary Rodolfo Frigeri.

Cuello ruled out a change of currency and a devaluation, and he confirmed support for the free market. However, he did not want to say whether the export withholdings will be increased.

When asked, Cuello denied that the government is waiting for a signal from abroad of foreign financial support, although he said that Economy Minister Antonio Erman Gonzalez, after making an announcement and "once his homework is done," will travel to the United States around 10 March.

A journalist asked Cuello if it is true that the economic team has not yet planned any new measures and that it is

still thinking about what it is going to do. "That is not true," Cuello answered instantly, and he added: "We have some measures and we are consulting with the politicians. We still have three days to improve them." [passage omitted]

* Alfonsin, Advisers Discuss National Concerns

90ET0105C Buenos Aires SOMOS in Spanish 10 Jan 90 pp 16-17

[Article by Hernan Pereyra: "The Radicals Already Have a Cabinet"]

[Text] One of Raul Alfonsin's closest colleagues was complaining last week that "now that we're in the opposition, I thought that I was going to have a quiet summer. But I still can't spend my vacation with my family. I see them on weekends, just like all these past years." The year-end crisis and the administration's appeal for a political pact are some of the issues that brought Radical leaders together and will bring them back to Buenos Aires this week.

Alfonsin left Chascomus, where he rested for a few days and spent time with his wife, who is recovering from a neurological condition, on Tuesday the 2nd and was in the capital until Thursday the 4th. During those 3 days he conversed at length with his advisers and other party leaders about two issues with which he is obsessed. One is the activities of the carapintada [painted faces] faction of the Army, and the other is the administration's economic policy.

As for the military issue, the former president believes that segments of the ruling party are not only talking with the carapintadas but are also financing their activities, on top of contributions from private companies and funding from certain state-run enterprises.

He also feels that this faction of the Army has a clearly antidemocratic agenda, and even though he is not proclaiming this openly, he fears that there may be further uprisings or a coup d'etat. Other Radical leaders disagree with the former president, however, indicating that he is exaggerating the carapintada issue and emphasizing that the former chief executive's position "is playing into the hands" of the army rebels.

On economic policy Alfonsin is receiving counsel straight from Juan Sorrouille, whom he still admires very greatly, and believes that the austerity policy was the administration's only choice, though he also feels that it will not be successful. Another, less harsh interpretation is championed by Mario Brodersohn, who contends that the austerity program could "last" several months. According to both interpretations, the social cost of the new program will be high, with double-digit unemployment.

Alfonsin reportedly spoke with his closest colleagues in the strictest confidence about the need to look into the possibility of a cabinet of "national salvation" if the economic austerity program fails; such a cabinet would consist of representatives of several parties, including the UCR [Radical Civic Union]. The issue was discussed in the strictest confidentiality because the Radical leader feels that "irritating" signals should not be sent to society in the midst of the crisis.

The former president is being advised by study groups operating at various levels. On the one hand are the "monitoring groups" that keep tabs on the Menem administration; they meet in the La Boca district, in the offices where the weekly EL CIUDADANO used to be published, under the direction of Juan Carlos Pugliese. The teams consist of former national secretaries and undersecretaries, such as Brodersohn, Adolfo Stubrin, Ricardo Gil Laavedra, and Pedro Trucco, among others.

On the other hand there are the commissions of the party's National Committee, which discuss the problems in various areas such as the economy, health care, defense, public works, education, etc.

Closer to the former president are his direct advisers, headed by Raul Alconada Sempe, who is also Alfonsin's nephew by marriage, and Horacio Jaunarena. Alongside them are the figures of Aldo Neri, who is in charge of talking with the UCR's "allies," Enrique Nosiglia, Leopoldo Moreau, Marcelo Stubrin, Jesus Rodriguez, who has mounting influence in Radical circles, Juan Sorrouille, and the "ever present" Margarita Ronco and Carlos Castro, the private secretary and press secretary, respectively.

We cannot fail to mention Cesar Jaroslavsky in this circle and, at another level, Gil Laavedra, whom Alfonsin is wont to send on certain very confidential "missions," Rodolfo Terragno, who is resisted in the party but is important as an idea man for the former president, and Simon Lazara, his contact for international issues relating to Social Democracy and human rights.

These men virtually constitute a shadow cabinet, but their moves arouse unmistakable jealousy within the party. On the one hand, the party's "progressive" wing, headed by Federico Storani, is tossing barbs at what it regards as Alfonsin's "vacillations" on both political and economic issues. Former Foreign Minister Dante Caputo, who has very little to do with the former president because of their ideological and political differences, has been brought into this wing by Storani.

On the other flank stand people like Antonio Troccoli and Fernando de la Rua, who belong to the Balbin faction, and the Angeloz men. The followers of the Cordoba governor are unsparing in their criticism of what they regard as "the circle, part two."

The Cordoba man closest to Alfonsin is national Deputy Alfredo Orgaz, the party's first vice president. A leader who enjoys well-oiled contacts with Julio Mera Figueroa,

he let Alfonsin know that Angeloz was upset over what he regards as discrimination against him in the making of major decisions.

They say that Angeloz was expecting a "noble gesture" from the former president, comparable to the one that he made in turning down any deal with the Menem administration behind the back of the Radical leadership. "It did not come; there was no invitation to a dialogue, not even a phone call for advice or to thank him," the advisers of the UCR's former presidential candidate contend.

The Angeloz men were hoping that the party summit would take place in early January, in other words, that Alfonsin would invite Angeloz to talk things over in Buenos Aires. A terse "that's not on the schedule" was the response from the UCR National Committee.

The head of the leading opposition party is associating with the same men who were with him in government, although his favorites today are Alconada Sempe and Jaunarena. He also still has his "obsessions," issues that preoccupy him incessantly or people who exasperate him. Among the latter are officials such as the current secretary of the Secretariat for State Intelligence, Juan Bautista Yofre, or the secretary of justice, Cesar Arias.

He is known to have spoken over the phone with Antonio Cafiero twice last week, perhaps to prepare for their meeting this week (Wednesday the 10th) at the Interior Ministry as part of the political dialogue. Some thought that Carlos Menem was going to be there, but in the Government Palace the president's circle denied the story. They say that the chief executive is very "angry" with Alfonsin and does not want to see him, especially along with Cafiero.

The Menem people think that they are both bent on trimming the president's power. The Cafiero and Alfonsin people argue that the minister's idea is to "safeguard" the system. And they are not saying that neither Cafiero nor Alfonsin likes Menem very much.

Import of Equipment for Nuclear Plant Authorized

PY0103205890 Buenos Aires Domestic Service in Spanish 1500 GMT 1 Mar 90

[Text] The executive branch has authorized the National Atomic Energy Commission to temporarily import, for the period of 10 years, (Slares) equipment, which will be rented from Atomic Energy of Canada, Ltd.

The equipment will be used in positioning and repositioning the rings that separate the fuel channels at the Embalse nuclear plant.

Bolivia

Paz Cites 'New Mentality' Toward Chile

PY0103200490 Santiago Radio Chilena Network in Spanish 1600 GMT 1 Mar 90

[Report from Uruguay by Patricia Rodriguez]

[Text] The pending Chilean-Bolivian problem should no longer be approached with the archaic mentality of the 19th century, but rather with modern attitudes of the 21st century. That was stated by Bolivian President Jaime Paz Zamora in Montevideo, where he is attending the presidential inauguration ceremonies.

As he was leaving the Victoria Hotel for the ecumenical Te Deum held as part of the presidential inauguration, Paz told journalists that as democracy returns to Chile there should be new attitudes and a spirit of renewal. He said that the pending problem between Chile and Bolivia should no longer be viewed with the archaic mentality of the 19th century but should now be seen with a mentality that belongs to the 21st century, in which the modern technology in the fields of communications and informatics will help us find new and imaginative solutions to this ancient problem.

Jaime Paz Zamora noted that the two parties must change their mentality in order to give the problem another course, and that he sensed that his opinion is shared by the new leadership taking power in Chile in a few days.

The Bolivian president commented that last night he participated in a dinner party during which he chatted with future Chilean President Patricio Aylwin. Paz Zamora was asked whether they have started talks designed to restore diplomatic relations between Chile and Bolivia. The Bolivian president was standing next to Argentine President Carlos Menem when he said to the Chilean journalists:

[Begin Paz recording] We have obviously held talks, as I was commenting to Carlos. Last night we were at a dinner party with fraternal friends and counterparts, during which we held talks. Throughout the day we will continue these talks wherever we may meet. As I have stated, these will not be traumatic talks because such an approach to the problem must be left behind. We must approach the issue with a new mentality. I think that the new Chilean Government, which will take power in mid-March, has this attitude. [end recording]

The Bolivian president added that he had discussed with Patricio Aylwin the possibilities of a new approach to Chilean-Bolivian relations in the future. He added that they had discussed other issues of common interest to this Latin American region. The new thing is that all of us in this part of South America are great friends.

Brazil

Envoy Says Ortega To Attend Collor Inauguration

PY0203024290 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 1 Mar 90

[Report by Alexandre Garcia]

The Nicaraguan ambassador has told me that Commander Daniel Ortega's presence at Fernando Collor de Mello's inauguration has been confirmed. He added that Ortega's presence will be a sign of the friendship that binds the two countries. The ambassador told me that Commander Ortega's defeat at the elections did not diminish his desire to attend the installation and personally offer his wishes for a successful administration to Fernando Collor de Mello.

Collor Appoints Zelia Cardoso Economy Minister

PY0103194090 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 1 Mar 90

[Text] Zelia Cardoso de Melo has been designated economy minister. Ms. Cardoso has a doctorate in economics, and she will take care of finance, planning, industry, and trade, all of which will be placed under the jurisdiction of the new Economy Ministry. President-elect Fernando Collor de Mello made the announcement this morning in a formal ceremony attended by most of the members of the future cabinet.

Economist Zelia Cardoso left her residence around 0900 this morning along with several economic advisers. The economic team of the future administration went directly to the Itamaraty Annex, where President-elect Fernando Collor de Mello was waiting for them. In his official introduction, the president-elect explained that the designation of Zelia Cardoso is an invitation to Brazilian women to participate in the building of the new Brazil he proposes.

[Begin Collor recording] Yesterday's message by Pope John Paul II, issued as part of the 1990 fraternity campaign, is an invitation to all women to participate decisively in the building of a new and better world. We, too, are inviting Brazilian women to join us and help us in the enormous taks of building a new Brazil. [end recording]

The future minister was then cordially but formally greeted by the other members of Collor's team. Only Ambassador Marcos Coimbra managed to break the formality by kissing the future minister.

After being congratulated by President-elect Fernando Collor, economist Zelia Cardoso de Melo held her first news conference as the future economy minister of the incoming administration. She promised to struggle courageously against the crisis and stated that she will make significant changes to the economy.

[Begin Cardoso recording] We believe that inflation is an enemy that must be fought with courageous measures. We have therefore made a commitment regarding salaries: Any economic adjustments that we make will not penalize the working class. For this we have a program that is based on certain principles that were repeatedly stated during the presidential campaign: basic fiscal reform, an administrative reform that the transition team has nearly completed drawing up, a reform of state holdings, and the renegotiation of the foreign debt.

We have been in touch with government officials at various levels in all fields of government activity. We have had access to information; the government has, in fact, granted full access to this information, which has allowed us to make precise analyses and projections. This will permit the new administration to begin operating on 15 March calmly, without any break in continuity, which would be very harmful for the Brazilian society.

We must make a clear division of responsibilities. The outgoing government has its responsibilities, and the incoming administration has its own responsibilities. We believe that in order to attract investments, the national economy needs trust. From our viewpoint, trust, credibility, and stability are necessary, not only to begin getting foreign investments, but also to convince Brazil's businessmen to invest again in production.

The best salary policy for the working class is to put an end to inflation. The shock that the Brazilian economy will receive after 15 March will be one of credibility and trust. The overnight deposits are an important mechanism to obtain funds, so it would be something quite unprecedented for us to give up this important source of funds.

Our proposal regarding the foreign debt rests on two basic premises that have not changed. The first premise is that we will not sacrifice Brazil's economic growth to pay the foreign debt. This is the first premise: Our growth is not negotiable. The second premise is that we do not want confrontation, but negotiation.

I believe that this is a great opportunity. I feel deeply honored by this invitation, and I am perfectly aware of the difficulties that lie ahead of us. At the same time I am confident that with the team that the president is assembling and under his leadership, we will be able to build a better Brazil. [end recording]

* Proposed Organization Chart of New Government

90ET0090A Sao Paulo GAZETA MERCANTIL in Portuguese 28 Dec 89 p 6

[Article by Marta Salomon]

[Text] Brasilia—The minister of economy in the Collor administration is going to centralize powers on a scale

unprecedented in the history of Brazil. The new superminister will be responsible for control and execution of the budget and for all economic policy, including prices, foreign exchange, industrial policy, credit policy, and trade policy.

"The ministries are being concentrated and strengthened, and this will require ministers of great political ability," says the document "New Brazil," which contains the latest version of administrative reform. It was released yesterday by the Collor de Mello administration's transitional team.

The minister of economy—who will head the most important of the future administration's 12 ministries—will also be responsible for the sale of federally owned property and enterprises. The team coordinated by economist Zelia Cardoso de Mello has not yet provided details concerning the privatization program. The first details on that subject will not be made known until January.

Administrative reform is the only reform to have merited a detailed program following the election, and it differs from the four proposals included in the PRN [National Reconstruction Party] candidate's program for government. By reducing the number of ministries to 12, the president-elect hopes to obtain $6.1 billion with which to finance "social programs." One feature of the administrative reform as revealed in the document "New Brazil" is that it will expand the Bank of Brazil's responsibilities as regards agricultural financing. According to the document, the bank will take over the functions of the Production Financing Company (CFP) and the National Cooperative Credit Bank (BNCC). CACEX [Foreign Trade Department] will be transferred from the BB [Bank of Brazil] to one of the secretariats in the Ministry of Economy.

Another superminister will be the minister of infrastructure. According to the document "New Brazil," his ministry will incorporate all of the "state's business activity." Government-owned firms in the fields of mines and energy, transportation, and communications will be subordinate to this ministry.

The administrative reform also calls for the Ministry of Economy to absorb the IAPAS [Institute for the Administration of Social Assistance and Welfare]—the agency that administers the social welfare fund. This was already tried by the Sarney administration, but without success.

The administrative reform leaves only 5 of the current 27 ministries untouched. They are the Ministries of Army, Navy, Aeronautics, Justice, and Foreign Affairs. The Ministry of Labor will be merged with the Ministry of Social Welfare. The Ministry of Science and Technology and the Ministry of Culture will become secretariats—of which there will be eight under the Office of the Presidency.

To become a reality, the administrative reform needs the approval of the National Congress. The new government structure will probably be presented to Congress in the form of a provisional measure, which becomes effective immediately. The deputies and senators would then have 30 days in which to approve the measure. If they do not make it a law within that period, the reform will not take effect. The president could then reissue the measure or abandon reform.

Deputy Bernardo Cabral (independent, Amazonas), a lawyer who was a rapporteur for the Constituent Assembly, is taking care of the reform's "legal" aspects. One of the National Congress' prerogatives under the Constitution is that of "creating and structuring the ministries and organs of public administration and determining their duties."

The team that is advising the president-elect provides no confirmation that government employees will be fired as a result of the administrative reform. Press adviser Claudio Humberto Rosa said yesterday that employees of the abolished ministries would be "reassigned and used elsewhere."

The Constitution guarantees job tenure for employees who were hired through competitive examinations and who had accumulated more than 5 years of service by October of last year.

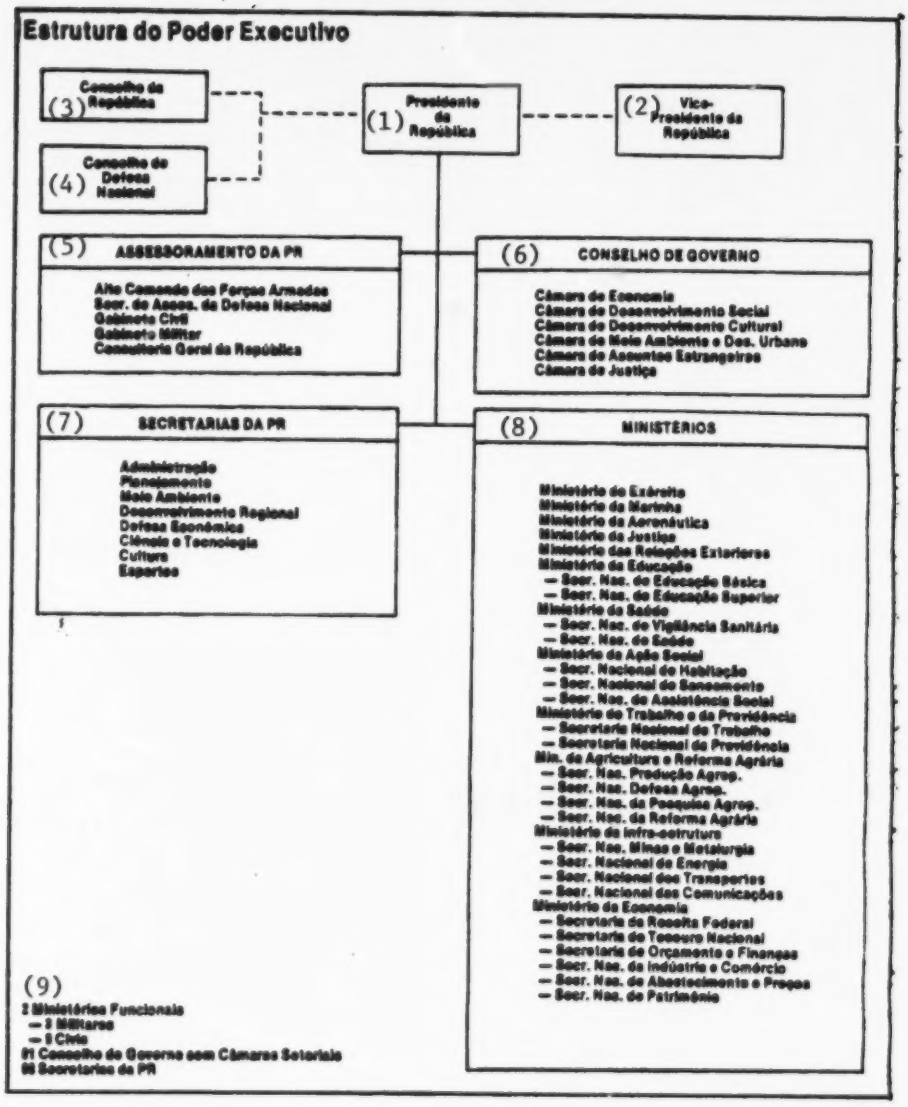
In its organization chart, the new government also calls for the creation of a Government Council to provide "political advice." The document "New Brazil" says that the main outlines of the government program will be established by the six chambers making up that council. Those chambers will replace the 101 existing councils, the document says.

The Government Council will consist of the ministers in the relevant areas, and its secretary will be the secretary of planning, who will lose his ministerial status.

Elimination of the ministries is being accompanied by the establishment of secretariats, among them the Economic Defense Secretariat, which according to the document "New Brazil" will be responsible for protecting consumers and monitoring prices.

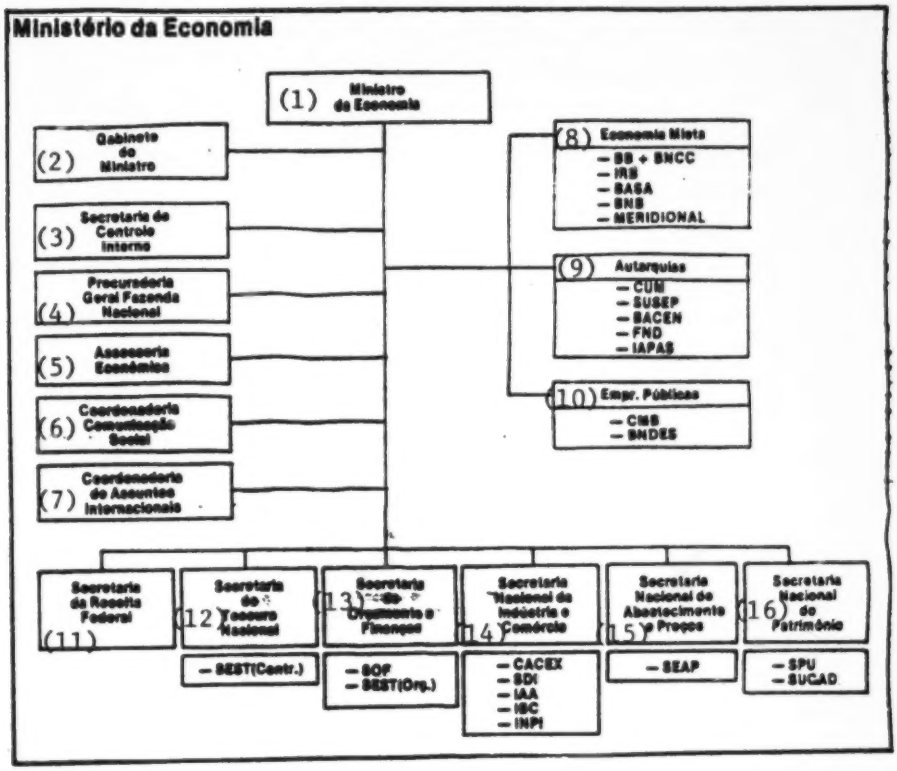
Another secretariat given prominence in the document is that of regional development. The organization chart for this secretariat reveals the Collor administration's intention to abolish the Superintendencies for Development of the Southern and Center-West Regions (Sudesul and Sudeco) as well as the Brazilian Tourism Company (Embratur). This secretariat will be responsible for implementing national plans for regional development, irrigation, and tourism.

Structure of the Executive Branch


Estrutura do Poder Executivo
(3) Conselho da República
(4) Conselho de Defesa Nacional
(1) Presidente da República
(2) Vice-Presidente da República
(5) ASSESSORAMENTO DA PR
Alto Comando das Forças Armadas
Secr. de Assess. da Defesa Nacional
Gabinete Civil
Gabinete Militar
Consultoria Geral da República
(6) CONSELHO DE GOVERNO
Câmara de Economia
Câmara de Desenvolvimento Social
Câmara de Desenvolvimento Cultural
Câmara de Meio Ambiente e Des. Urbano
Câmara de Assuntos Estrangeiros
Câmara de Justiça
(7) SECRETARIAS DA PR
Administração
Planejamento
Meio Ambiente
Desenvolvimento Regional
Defesa Econômica
Ciência e Tecnologia
Cultura
Esportes
(8) MINISTÉRIOS
Ministério do Exército
Ministério da Marinha
Ministério da Aeronáutica
Ministério da Justiça
Ministério das Relações Exteriores
Ministério da Educação
— Secr. Nac. de Educação Básica
— Secr. Nac. de Educação Superior
Ministério da Saúde
— Secr. Nac. de Vigilância Sanitária
— Secr. Nac. de Saúde
Ministério da Ação Social
— Secr. Nacional de Habitação
— Secr. Nacional de Saneamento
— Secr. Nac. de Assistência Social
Ministério do Trabalho e da Previdência
— Secretaria Nacional do Trabalho
— Secretaria Nacional da Previdência
Min. da Agricultura e Reforma Agrária
— Secr. Nac. Produção Agrop.
— Secr. Nac. Defesa Agrop.
— Secr. Nac. de Pesquisa Agrop.
— Secr. Nac. da Reforma Agrária
Ministério da infra-estrutura
— Secr. Nac. Minas e Metalurgia
— Secr. Nacional de Energia
— Secr. Nacional dos Transportes
— Secr. Nacional das Comunicações
Ministério da Economia
— Secretaria da Receita Federal
— Secretaria do Tesouro Nacional
— Secretaria de Orçamento e Finanças
— Secr. Nac. da Indústria e Comércio
— Secr. Nac. de Abastecimento e Preços
— Secr. Nac. do Patrimônio
(9)
2 Ministérios Funcionais
— 2 Militares
— 0 Civis
01 Conselho de Governo com Câmaras Setoriais
08 Secretarias da PR

Key:
1. President of the Republic
2. Vice president of the Republic
3. Council of the Republic
4. National Defense Council
5. Advisers to the Office of the Presidency
   a) Armed Forces High Command
   b) Advisory Secretariat on National Defense
   c) Civilian Household
   d) Military Household
   e) General Advisory Office of the Republic
6. Government Council
   a) Economy Chamber
   b) Social Development Chamber
   c) Cultural Development Chamber
   d) Environment and Urban Development Chamber
   e) Foreign Affairs Chamber
   f) Justice Chamber
7. Secretariats of the Office of the Presidency
   a) Administration
   b) Planning
   c) Environment
   d) Regional Development
   e) Economic Defense
   f) Science and Technology
   g) Culture
   h) Sports
8. Ministries
   a) Ministry of Army
   b) Ministry of Navy
   c) Ministry of Aeronautics
   d) Ministry of Justice
   e) Ministry of Foreign Affairs
   f) Ministry of Education
      1) National Basic Education Secretariat
      2) National Higher Education Secretariat
   g) Ministry of Health
      1) National Medical Vigilance Secretariat
      2) National Health Secretariat
   h) Ministry of Social Action
      1) National Housing Secretariat
      2) National Sanitation Secretariat
      3) National Social Assistance Secretariat
   i) Ministry of Labor and Welfare
      1) National Labor Secretariat
      2) National Welfare Secretariat
   j) Ministry of Agriculture and Agrarian Reform
      1) National Agricultural Production Secretariat
      2) National Agricultural Defense Secretariat
      3) National Agricultural Research Secretariat
      4) National Agrarian Reform Secretariat
   k) Ministry of Infrastructure
      1) National Mines and Metallurgy Secretariat
      2) National Energy Secretariat
      3) National Transportation Secretariat
      4) National Communications Secretariat
   l) Ministry of Economy
      1) Federal Revenue Secretariat
      2) National Treasury Secretariat
      3) Budget and Finance Secretariat
      4) National Industry and Commerce Secretariat
      5) National Supply and Prices Secretariat
      6) National Property Secretariat
9. There are 12 government ministries (3 military, 9 civilian), 1 Government Council with sectoral chambers, and 8 secretariats of the Office of the Presidency.

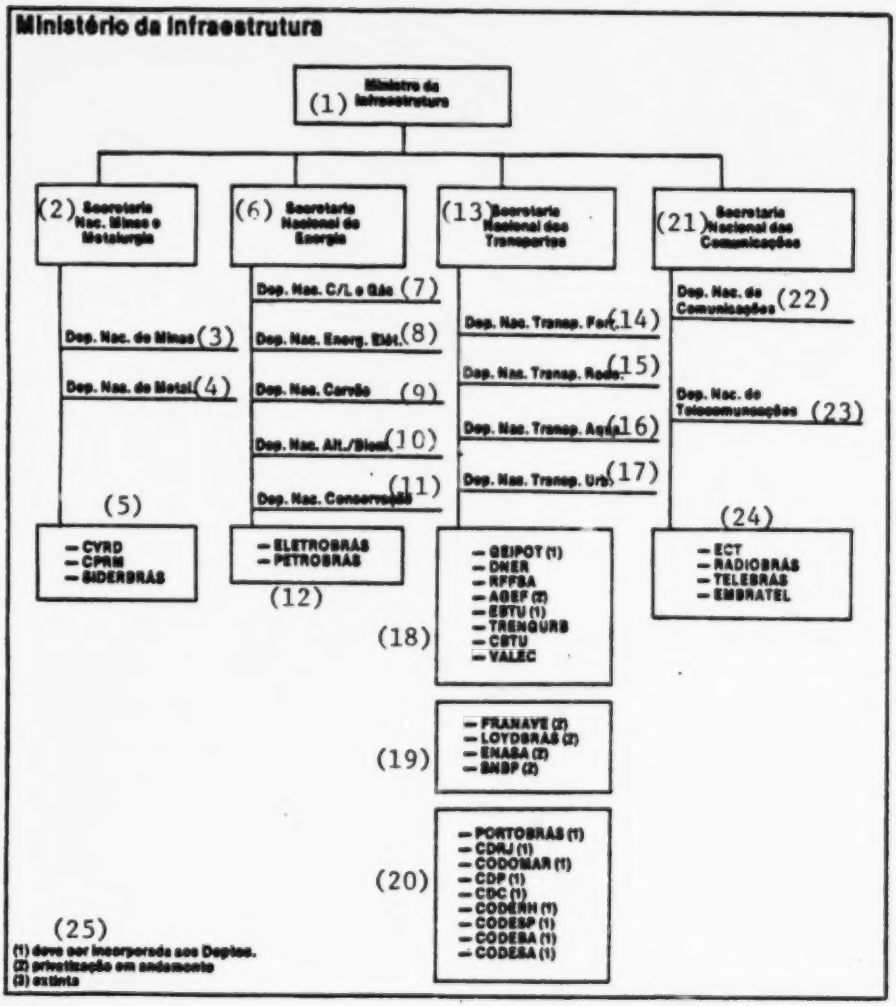
Ministry of Economy



Key:

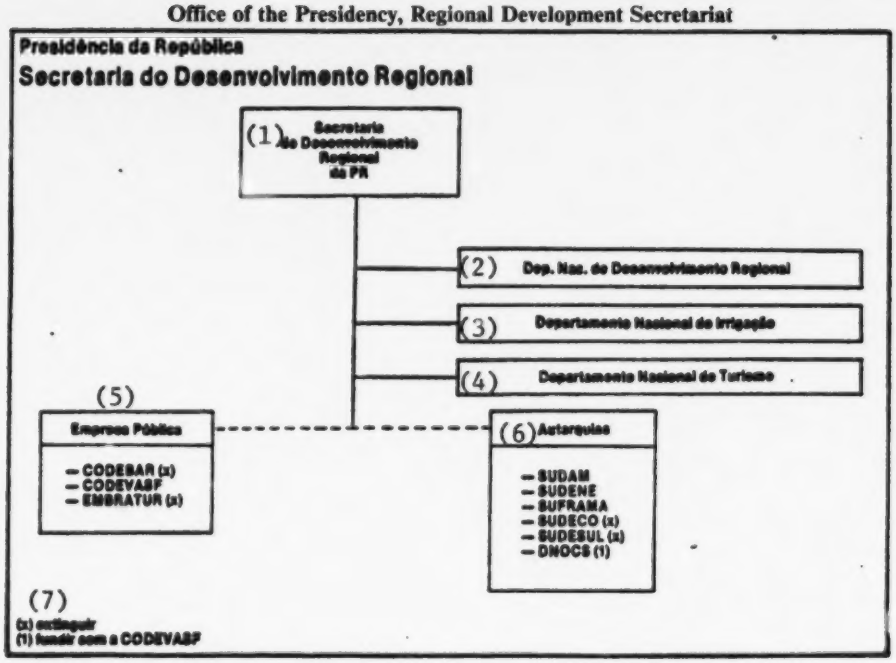
1. Minister of Economy
2. Office of the Minister
3. Internal Control Secretariat
4. Attorney-General, National Treasury
5. Economic Advisory Office
6. Media Coordinating Office
7. Coordinating Office for International Affairs
8. Mixed economy
   a) BB [Bank of Brazil] and BNCC [National Cooperative Credit Bank]
   b) IRB [Brazilian Reinsurance Institute]
   c) BASA [Bank of Amazonia]
   d) BNB [Bank of Northeast Brazil]
   e) Southern Bank
9. Quasi-government agencies
   a) CUM [expansion unknown]
   b) Susep [Superintendency of Private Insurance]
   c) Bacen [Central Bank of Brazil]
   d) FND [National Development Fund]
   e) IAPAS [Institute for the Administration of Social Assistance and Welfare
10. Government-owned enterprises
    a) CMB [expansion unknown]
    b) BNDES [National Economic and Social Development Bank]
11. Federal Revenue Secretariat
12. National Treasury Secretariat
    a) SEST [Special Secretariat for the Supervision of Government-Owned Enterprises] (supervision)
13. Budget and Finance Secretariat
    a) SOF [Budget and Finance Secretariat]
    b) SEST (budget)
14. National Industry and Commerce Secretariat
    a) CACEX [Foreign Trade Department]
    b) SDI [expansion unknown]
    c) IAA [Sugar and Alcohol Institute]
    d) IBC [Brazilian Coffee Institute]
    e) INPI [National Institute for Industrial Property]
15. National Secretariat of Supply and Prices
    a) SEAP [Special Secretariat for Supply and Prices]
16. National Property Secretariat
    a) SPU [Federal Property Service]
    b) SUCAD [expansion unknown]

Ministry of Infrastructure



Key:
1. Minister of Infrastructure
2. National Mines and Metallurgy Secretariat
3. National Mines Department
4. National Metallurgy Department
5. Companies:
   a) CVRD [Rio Doce Valley Company]
   b) CPRM [Mineral Resources Prospecting Company]
   c) Siderbras [Brazilian Iron and Steel, Inc.]
6. National Energy Secretariat
7. National Liquid Fuel and Gas Department
8. National Electric Energy Department
9. National Coal Department
10. National Alt/Blom [expansion unknown] Department
11. National Conservation Department
12. Companies:
   a) Eletrobras [Brazilian Electric Power Company, Inc.]
   b) Petrobras [Brazilian Petroleum Corporation]
13. National Transportation Secretariat
14. National Railroad Transportation Department
15. National Road Transportation Department
16. National Waterways Transportation Department
17. National Urban Transportation Department
18. Agencies and companies, first group:
   a) GEIPOT [Executive Group for Study of Transportation Integration Policy] (note 1)
   b) DNER [National Highway Department]
   c) RFFSA [Federal Railway Network]
   d) AGEF [Federal Network of General Railway Warehouses] (note 2)
   e) EBTU [expansion unknown] (note 1)
   f) TRENGURB [expansion unknown]
   g) CBTU [expansion unknown]
   h) VALEC [expansion unknown]
19. Agencies and companies, second group:
   a) Franave [expansion unknown] (note 2)
   b) Loydbras [expansion unknown] (note 2)
   c) ENASA [Amazon Shipping Company, Inc.] (note 2)
   d) SNBP [expansion unknown] (note 2)
20. Agencies and companies, third group:
   a) Portobras [Brazilian Ports Enterprise] (note 1)
   b) CDRJ [expansion unknown] (note 1)
   c) Codomar [expansion unknown] (note 1)
   d) CDP [expansion unknown] (note 1)
   e) CDC [expansion unknown] (note 1)
   f) Coderh [expansion unknown] (note 1)
   g) Codesp [expansion unknown] (note 1)
   h) Codeba [expansion unknown] (note 1)
   i) Codesa [expansion unknown] (note 1)
21. National Communications Secretariat
22. National Communications Department
23. National Telecommunications Department
24. Companies:
   a) ECT [Postal and Telegraph Company]
   b) Radiobras [Brazilian Radiobroadcasting Company]
   c) Telebras [Brazilian Telecommunications, Inc.]
   d) Embratel [Brazilian Telecommunications Company]
25. Notes:
   a) Note 1: To be merged into the departments.
   b) Note 2: Privatization under way.
   c) Note 3: Abolished [there is no reference to note 3 in the chart]

Office of the Presidency, Regional Development Secretariat



Key:
1. Regional Development Secretariat of the Office of the Presidency
2. National Regional Development Department
3. National Irrigation Department
4. National Tourism Department
5. Government-owned enterprises:
   a) Codebar [expansion unknown] (note x)
   b) Codevasf [Sao Francisco Valley Development Company]
   c) Embratur (note x)
6. Quasi-government agencies:
   a) Sudam [Superintendency for Development of the Amazon Region]
   b) Sudene [Superintendency for Development of the Northeast]
   c) Suframa [Superintendency of the Manaus Free Trade Zone]
   d) Sudeco [Superintendency for Development of the Center-West Region] (note x)
   e) Sudesul [Superintendency of the Southern Region] (note x)
   f) DNOCS [National Department of Drought Control] (note 1)
7. Notes:
   a) Note x: To be abolished.
   b) Note 1: To be merged with Codevasf.

Chile

Supreme Court Chairman Wants More Independence

PY0203112490 Santiago Radio Chilena Network in Spanish 1600 GMT 1 Mar 90

[Excerpts] Today in his speech opening the 1990 judicial year, Supreme Court Chairman Luis Maldonado said the judicial branch needs more independence to better fulfill its duty of ruling social life and guaranteeing justice and legal security.

In the opening ceremony, which was attended by Justice Minister Hugo Rozende, Justice Minister-designate Francisco Cumplido, Army Attorney General Fernando Torres Silva, and the sector's highest-ranking authorities, Maldonado demanded more independence for the judicial branch. [passage omitted]

The Supreme Court justice regretted that the current regime did not listen to the court's opinions on such important matters as having the military courts try certain cases. In this sense, Maldonado said, the military courts now try a large number of civilians, the number of civilians far surpassing the number of military personnel. [passage omitted]

* Valparaiso Site of New Congress Debated

* View From Valparaiso

90ET0121A Santiago ERCILLA in Spanish 24 Jan 90 pp 11-12

[Interview with Sergio Nunez by Esteban Montero in Santiago; date not given: "Valparaiso on a War Footing"]

[Excerpts] He belongs to at least seven regional organizations, but what is even more noteworthy is that he works effectively in all of them.

There is practically not a single Valparaiso resident who does not know Sergio Nunez.

Vice president of the Valparaiso Research Center, vice president of the Fifth Region Development Commission, chairman of the Pro-Congress Citizens' Action Committee, vice president of the Confederation of Production and Commerce, a member of the Regional Development Council, an attorney specializing in shipping, manager of the National Shipowners Commission, and that is not all! [passage omitted]

The data are overwhelming and practically leave no time for questions. Nunez came to ERCILLA to present his arguments for leaving Congress in the Fifth Region and he came prepared.

"Decentralization is also urgently needed. Chile is the most centralized country in the world. Some 40 percent of its inhabitants live in the capital, while in the worst of cases the figure in other nations does not exceed 19 percent."

Nunez emphatically displays other figures that crush any defense of the capital:

"Santiago is 16 times bigger than the next largest city, Vina del Mar. And from the cultural standpoint, it is also out of proportion: 97.4 percent of the country's periodicals are in the capital, along with 80.3 percent of the newspapers."

Nunez' information looks like a magic show popping out of an impressive black briefcase. The statistics flow:

"Santiago is the only city in the world with more books than inhabitants: 6,870,918 books in public libraries for 6,349,632 inhabitants.

"The entire cultural budget of the Fifth Region was 7 million pesos last year. In Santiago, the Municipal Theater alone spent some 800 million during the same period of time! That situation weakens the country."

[ERCILLA] Do you think locating Congress in the Fifth Region will effectively contribute to decentralization?
[Nunez] It will mean a break in the national consciousness, which has not changed since colonial times. Valparaiso offers an unpolluted opportunity for expansion. It can become part of a capital zone in the future.

[ERCILLA] Then why do some members of Congress want it in Santiago? Montevideo EL DIA in Spanish 23 Feb 90 p 7
[Nunez] I think for the sake of convenience and because they want to keep practicing their private professions at the same time, which is selfishness and an inability to transcend personal interests.

[ERCILLA] Do you think that only Congress should leave Santiago?
[Nunez] I think the Supreme Court and certain agencies such as Conaf [National Forestal Corporation], Codelco [Copper Corporation], Infop [Production Development Institute], and other similar ones should also.

Intelligent Congress

With the same vigor he expends destroying the image of Santiago, Nunez highlights the port and Congress. On this topic, there is neither time nor space to contain his enthusiasm.

"Look. Here when you enter the capital, there should be a sign saying, 'Welcome to Chile!' When people ask me where I live, I say, 'In the rest of Chile.' That is not right! Not only that; members of Congress do not know what they are missing!"

[ERCILLA] What will that Congress be like?
[Nunez] First of all, it is an intelligently designed building, one of the most advanced in the world. It has an area of 60,000 square meters, obviously more than that of the old building in Santiago. Compared with the Diego Portales building in Santiago, ours is 90 percent bigger!

[ERCILLA] And why is the building so well-designed?
[Nunez] Because you can't even put one more phone in Santiago, while the new congressional building here would have one for every member.

[ERCILLA] Are there special benefits for senators?
[Nunez] Each one will have his own office, two parking places, a fax machine, and computers. Every member of Congress will earn 536,094 pesos gross, plus an office allowance of 300,000 pesos. Then there is a long list: a car for each, a round-trip ticket on LAN [National Airline] or Ladeco [Chilean Airlines] each week, a helicopter for emergencies, hotel discounts, special buses on which one can even hold meetings, allowances for housing, schools, and so on.

Nunez continues pulling out documents, graphs, and statistics, the master of any discussion of the topic. His arguments appear to be inexhaustible:

"When power is passed, there will be a conference room available for 100 newsmen seated, 100 telephones, 10 fax machines." [passage omitted]

We Shall Stand Firm

These remarks cannot be considered a threat because all the arguments put forth by this Valparaiso leader are those rightfully made. And yet, one notes a determination that he represents and that he is willing to do anything to have Congress remain there.

"The United Confederation of Workers (CUT) of Valparaiso and all the unions resolved to defend to the end keeping Congress here. They agreed to stage a total strike if that decision is changed. Chile cannot stand to have Valparaiso out on strike for over 3 days."

[ERCILLA] Is there any alternative?
[Nunez] In the final analysis, I mean that contrary to what many think, the alternative is not moving Congress back to the old building it occupied 16 years ago in Santiago.

On the contrary, we would have to spend at least $100 million to build a new building in the capital, with all the inconvenience, wasted money, and loss of time such an undertaking would entail. Anyone who thinks Congress could operate in the old building is living in the past and does not understand that technology has changed and that this new Legislative Branch can no longer physically fit into an area 16,000 meters square.

[ERCILLA] Everyone knows that work on the new building is behind. What will actually be done by 11 March?
[Nunez] The building, with all its furnishings and details, will be completely finished by the end of 1990. However, in the initial stage, meaning by 11 March, there will be much more space than what the old building in Santiago now has.

The plenary chambers and the chambers of the plenary Congress will be finished. Essential departments such as the report room, writers' room, higher officers' room, and press room will be in operation immediately, with an area over 400 square meters.

[ERCILLA] How will you support the officials of the body, which supposedly number in the hundreds?
[Nunez] By 31 January, 345 staff officials will go to work. This number will increase until it reaches the full complement of 700. There are already commissions in charge of helping them find homes and schools for their children and, in general, solve all the problems that go with a total move. In the long run, it will be very beneficial and everyone will like it, especially when they begin to breathe Valparaiso's unpolluted air and see the lack of congestion, so close to the capital and yet so different.

Nunez begins to take his leave, starting to slowly put away the tall pile of documents, graphs, and figures on which he bases his arguments.

His look seems to say that despite the weight of his defense, there are still those who persist in legislating from Santiago, in the middle of a polluted city which last year alone added 47,000 new cars. [passage omitted]

* Congressional Debate Viewed

90ET0121B Santiago ERCILLA in Spanish
24 Jan 90 p 13

[Text] The controversy over the final home of Congress is turning out to be a futuristic exercise involving a consensus on moving that institution. Opposition forces have already made their calculations. In order to do away with Law 18,678, which in December 1987 established the legislative *ubi* in Valparaiso, an absolute majority of deputies and senators is required and the next president must not veto the measure. They have no doubt that Patricio Aylwin would give the green light.

In his optimistic reckoning, the Christian Democratic senator from Temuco, Jorge Lavanderos, guaranteed that to the position of CPPD [Coalition of Parties for Democracy] members of Congress one must add "50 percent of the National Renewal (RN) and a few from the Independent Democratic Union (UDI)."

If such a prediction seemed risky, after what has happened in recent days it has more cracks than the old congressional building in the capital. On Tuesday, the 16th, Francisco Bartolucci, deputy from Valparaiso and vice president of the UDI, announced that his party's officers supported keeping Congress in Valparaiso. Party officials concluded at the special session that this is the "beginning of a phase in which decentralization is a precondition for effective participation."

Came, Saw, Was Conquered

However uncertain, the final posture of the RN was outlined by its president. Sergio Onofre Jarpa stated in Villa Alemana that the majority agreed with the legislative provision. A timid view to the contrary expressed by

Santiago Senator Sebastian Pinera to the effect that: "It should operate in Santiago, but I would like to hear the opposing arguments," incurred reproaches from fellow party member Raul Urrutia, deputy from Valparaiso.

White smoke loomed throughout the weekend. RN legislators joined with defenders of the buildings whose construction continues round the clock in the El Almendral district. Euphoric, Valparaiso Senator Sergio Romero said that over 90 percent of his peers had voted in favor.

Nor can one discard the influence of the deputy representing Nunoa and Providencia, Alberto Espina, who on Wednesday traveled to the "scene of the crime" with other members of Congress, when the classic trilogy was seen once again. Reaching the building site, he viewed it at length and was overcome. Returning to Santiago, the former skeptic had become an enthusiastic supporter.

How many candidates for the upper and lower chambers were taken with the idea at the same time they harvested votes? Transcending bare numbers and subtracting the demagogic VAT of any campaign, the fact is that Senator Romero announced he would reveal the identity of those candidates, winners or losers, who previously favored putting Congress in "el Pancho" but who now long for the metropolitan Civic Center.

"Not Even Enough for a Haircut"

In Santiago, preferences were expressed in the party of the red arrow. Some 36 Christian Democratic members of Congress supported the move to the capital, while 9 preferred remaining in the port, and 1 was undecided. However, without losing hope, Aldo Cornejo, also a deputy from Valparaiso, rejoiced that the party had not taken a firm stand one way or the other. The group's president, Andres Zaldivar, respectfully confined himself to adding: "Even though I have made up my mind on the matter, I do not want to express my view so that every member of Congress will be free to follow his own conscience."

The socialist legislative bench exhibits a reluctance to return to the coastal zone. Led by the general secretary of the Party for Democracy (PPD) and deputy from Santiago, Jorge Schaulsohn, the motto is: "All branches of government should be in one place." The only exception is the members from Valparaiso, headed by Laura Soto, PPD president for the Fifth Region (see interview).

Nor is the complaint about remuneration irrelevant. Mario Palestro, deputy from San Miguel, has done his calculations and complains that with so much commuting and the cost of renting offices in the capital and the port, "you won't even have enough left for a haircut."

It appears that the debate will continue for some time, although partisan mysteries have cleared up sooner than expected. What is certain is that the first phase of the monumental building will be officially opened on 11 March at 1300 hours, when the president is inaugurated, not to mention the arrival and installation of the full Congress.

* Legislators Present Views

90ET0121C Santiago ERCILLA in Spanish
24 Jan 90 pp 14-15

[Interview with Senator-Elect Laura Soto and Deputy-Elect Jorge Schaulsohn conducted in Santiago by Jose Miguel Armendariz: "Two Points of View"; date not given]

[Excerpts] They have already stood out sufficiently to figure as natural leaders of the two factions. Ladies first: Senator Laura Soto, president of the Party for Democracy (PPD) in the Fifth Region, is more fervent than Modesto Collados himself in defending locating Congress in Valparaiso. Jorge Schaulsohn, deputy for Santiago and general secretary of the PPD, is the member of Congress most ardently opposed.

"That is the only point on which Laurita and I disagree," he says, completing the double interview with ERCILLA, his pipe already cold. To which she, gesturing with a flowered fan, laughingly adds, "And you should emphasize it."

The conversation took place in the office of the PPD president and future minister of education, Ricardo Lagos, who is on his way to Israel. The rooky members of Congress gradually relax and their mood becomes good-humored. Mute witness to the debate is the group's former vice president and former senator Armando Jaramillo, obviously enjoying himself from his spectator's seat. [passage omitted]

[ERCILLA] Does the fact that one of you is from Valparaiso and the other from Santiago explain your respective positions?
[Soto] Absolutely not. I think that is taking a very narrow view, at least from where I stand. It would detract from its value.
[Schaulsohn] That has nothing to do with it. My argument is essentially that Congress becomes nonviable and ineffective when it is not in the same place as the Judicial and Executive Branches.

Video Conferences

[ERCILLA] One must naturally analyze the 100 or so kilometers separating Congress from the other branches of government versus the independence they must maintain. The constitution stipulates that the Legislature cannot interfere in matters not within its province and left solely to the Executive Branch.
[Soto] Well, one of the most powerful reasons for putting Congress in Valparaiso between 1828 and 1830, after the mother church, was to prevent them from disturbing one another. The times were different and the argument now makes us laugh, but I do believe that the different branches of government must be independent while maintaining their ties. The Legislature must keep an eye

on the Executive Branch. But distance is overcome by technology, George. It is enough to have a conference room with TV monitors to keep in touch, which also enables one to be excused from a meeting in Santiago due to a meeting with the president.

[ERCILLA] The system allows up to nine persons to communicate with one another on TV.
[Schaulsohn] Technology can obviously make up for certain deficiencies, but what we are dealing with here is the transfer of an institution that must interact daily, not only with nine individuals, but hundreds. They used to routinely suspend a session during which debate on a bill was under way so that the proper official might come to make his presentation.

[ERCILLA] Decentralization and regionalization are the main arguments given to justify having Congress in Valparaiso.
[Schaulsohn] What kind of decentralization is it when the seat of one of the branches of government is in that city? It will help the district of El Almendral, trade in the surrounding areas, and so on. I am for true regionalization, but having Congress in Valparaiso is no more than a flashy move by Augusto Pinochet. He thought he would be in power until 1997 with a merely advisory Congress, and he sent us to the port so we would have an ocean view!

[ERCILLA] The president backed the construction of Congress in Valparaiso, but I understand that the move was suggested by Valparaiso groups.
[Soto] Precisely. The idea came to people who had always lived in the Fifth Region. But I want to respond to Jorge's argument. We are not just talking about conference rooms with TV monitors, but also Torquemada Airport, which is served by two airlines, LAN [National Airline] and Ladeco [Chilean Airlines], which can carry all officials, and which has helicopter service.

Bazooka for a Canary

[ERCILLA] Does Congress have a heliport?
[Soto] No, but it does have Torquemada, which is in Concon.
[Schaulsohn] Half an hour away, at least.
[Soto] I do it in 15 minutes. Armando (former Senator Jaramillo Lyon), I don't know how long it takes you.
[Schaulsohn] Can you imagine how long it will take to get on a plane, then a helicopter, and then get a car to go from Concon to Valparaiso? I think it takes a long time.

[ERCILLA] With so much commuting, I think we are losing sight of the topic of decentralization.
[Soto] This is an absolutely effective measure for development of the entire country. We have to look to the year 2000; the Pacific is the ocean of the future. If we want to establish real trade, we have to modernize our main port. To date, no one has been willing to do so. Once Congress is there, we shall solve those problems. You will agree that Argentina and the other coastal countries are practically pushing us with their products to ship them out of Valparaiso to the Pacific.

[Schaulsohn] I agree with you. I will always support the newest technology and modernization of the ports in Congress, for us to look to the sea. But let's not kill a canary with a bazooka! Let's not sacrifice the viability of a branch of government to develop our ports. The administration of government is not in Valparaiso. Congress will end up being a white elephant. We will attend sessions, then run to Santiago to handle the needs of our regions vis-a-vis the ministries and public departments, then fly to our provinces.

[ERCILLA] Will members of Congress not concentrate on their legislative and overseeing functions and forget about meddling in administrative affairs?
[Schaulsohn] No, sir! That is Pinochet's idea. A congressman concerned about promoting his region who sponsors a law and wants to obtain a loan has to go through the channels wherever they are. That means Santiago. Congress was in Valparaiso in 1828 when Santiago was a village and when the commercial and economic center, and [illegible] headquarters for many ministries and departments was Valparaiso.

[ERCILLA] How strong are your respective sides, the National Renewal (RN), for example?
[Soto] There is only one vote against, which is Sebastian Pinera.

[ERCILLA] Furthermore, he said he wanted to hear the arguments. The group's president, Sergio Onofre Jarpa, said the majority agreed. The Independent Democratic Union (UDI) has already come out absolutely in favor. The Christian Democratic Party (PDC) has taken no position.
[Schaulsohn] I really don't know which position has a majority, but I am convinced that experience will show that having the Congress in Valparaiso is not viable.
[Soto] I think the majority of the Chamber of Deputies would vote to move to Santiago, but not the Senate.

Entrenched Santiagans

[passage omitted] [Soto] I am absolutely confident that the citizens of all Chile will mobilize and tell their representatives: "You are representing us. You must therefore hear our voices and not the arguments of Santiagans entrenched in their region.

[Schaulsohn] Well, the chauvinistic argument about "entrenched Santiagans" is out of place, Laurita, but I think the regions, except for the Fifth, are absolutely uninterested in having Congress in Valparaiso.

[ERCILLA] The Valparaiso Chambers of Commerce have just published a restrictive statement on the issue, backed by all the others in the country.
[Soto] The United Confederation of Workers (CUT) has also appealed to its regional colleagues. They are asking for a national strike.
[Schaulsohn] On what basis?
[Soto] Changing the location of Congress in Valparaiso. Meaning the citizens are willing to....

[Schaulsohn] That is a different point. I think it is very reasonable. If the majority of the country wants Congress to be in Valparaiso, then it must be so. But if a debate takes place, we will try to convince people of the opposite view. Whatever the case, they say the building is spectacular. I think that if Collados has it ready, then members of Congress will get enthusiastic.
[Soto] I called him the day before I saw it and could never have imagined the reception I received. Even the minister of public works, Hernan Abad, came, along with congressmen from other parties.
[Schaulsohn] I would have gone because I was very curious.

[ERCILLA] Is it possible that you will change your mind? A democrat can, you know.
[Schaulsohn] No. The building will not change my mind, even if it were Versailles. But I admit I want to go see it.

[ERCILLA] I meant that having Congress work there might change it.
[Schaulsohn] Oh, obviously. If the facts show me I am mistaken, I will accept that, naturally. I would be stubborn not to. Maybe we will get there and there will be no problems and the televised conference rooms may be preferable to having an unsympathetic minister or undersecretary present in the room!

Trade With ROK Up Almost 60 Percent in 1989

PY0103122290 Santiago Domestic Service in Spanish 0930 GMT 1 mar 90

[Summary] Bilateral trade between Chile and the Republic of Korea [ROK] increased by almost 60 percent during 1989. According to the Bilateral Chamber of Commerce, trade between the two countries amounted to $405,400,000 [as heard]. Chilean exports to the ROK amounted to $257,500,000, a 76 percent increase, and imports from the ROK amounted to $174,900,000, a 37.6 percent increase.

Colombia

Cabinet's Lemos Hints ELN Behind UP Murders

PA0103134190 Bogota Radio Cadena Nacional in Spanish 1209 GMT 1 Mar 90

[Text] Bogota—Colombian Government Minister Carlos Lemos has hinted that it may have been members of the Marxist guerrilla group Army of National Liberation [ELN] who have murdered the 77 followers of the left-wing Patriotic Union [UP] party.

Lemos said: I can expect anything from the ELN. He added that he believed that this group makes no exceptions when it wants to kill someone.

The UP has blamed President Virgilio Barco's government and the military for the annihilation campaign against its members, demanding guarantees for their political activities with less than two weeks remaining before the 11 March legislative elections take place.

The UP made the report following the murder on 26 February of Apartado Mayor Diana Cordoba Saldarriaga—Apartado is located 480 km to the northeast of Bogota—and the murder on the evening of 27 February of six more UP followers in Unguia, a village in Choco Department. When blaming the ELN, the government minister said that these individuals want to bring anarchy and instability to the country. Lemos added that as part of the ELN's destablization campaign, it would not be difficult to imagine that they would have as their goal the murder people of other left-wing sectors, and admitted that there has been a series of threats against various government officials, including himself. When referring to the UP's reports holding the military responsible, he said that this was absurd and added that it is intended to lead the investigations astray and to try to stop the elections in Colombia.

UP Candidate Calls Accusations 'Absurd'

PA0103135890 Bogota Radio Cadena Nacional in Spanish 1217MT 1 Mar 90

[Text] Bogota—Bernardo Jaramillo Ossa, presidential candidate of the Patriotic Union [UP], described as absurd the accusation by Government Minister Carlos Lemos Simmonds blaming the ELN [Army of National Liberation] for the UP murders. Talking with RCN [Radio Cadena Nacional], Jaramillo Ossa explained that the murderers of UP followers at Unguia could not have been ELN guerrillas because that subversive group does not operate in that area of Choco Department.

The left-wing political leader added that he will continue to work on his presidential campaign, but said that the UP candidate for mayor in Unguia decided to withdraw due to the lack of gurantees on his life.

ELN Kidnaps Hacari Mayor; Return Expected

PA0103141490 Hamburg DPA in Spanish 1857 GMT 28 Feb 90

[Text] Bogota, 28 February (DPA)—It was officially reported today that Hernando Torres Jaimar, mayor of the town of Hacari, located in Norte de Santander Department, was kidnapped by Army of National Liberation [ELN] guerrillas while in a rural zone. According to witnesses of the kidnapping, the rebels stated that in few days the mayor would bring back a message addressed to Norte de Santander Department Governor Eduardo Assaf Elcure and to the military commands of this department located on the border with Venezuela.

Not long ago, the ELN released Horacio Gomez, mayor of the city of Bolivar, with a message from the rebel group, stating it rejected the corruption of Colombia's political class. The ELN, a radical lefist group led by several former Spanish priests, announced it will sabotage the 11 March municipal and legislative elections and the 27 May presidential elections.

*** Lloreda: Strong Liberal Presidential Contender**

90ET0103A Bogota EL TIEMPO in Spanish
12 Jan 90 p 5A

[Commentary by D'Artagnan: "A 'Threat' Named Lloreda"]

[Text] Even though his image is far from impressive and even though he has not yet brought together the entire Conservative Party around him, Rodrigo Lloreda Caicedo is not only the best candidate that his group could have chosen but over the coming months could become a respectable opponent for the Liberals and, suddenly, a "threat" if disarray persists in the so-called ruling party.

We must remember, first of all, that even though each Liberal participant in the March primary is allowed a maximum of five percent more votes than his own slates for the houses of Congress, many Conservative voters will most likely cast their ballot in that primary for one of the Liberal candidates in the running, not just for simple reasons of preference but also for reasons of expediency.

Indeed, there is no way to serve better the electoral interests of the Conservative Party with an eye towards the battle for the presidency than to vote for some Liberal in the March primary and in so doing "inflate" the hopes of any such contender. Number one among them is Santofimio, who has said, adding insult to injury, that he is not prepared to honor the results of the primary and will go all the way, no matter what the consequences of such a decision, which could be a big or small split among Liberals. This is what remains to be seen. In any event, it has a dangerous distorting effect for the future.

Even though such a scenario, a Liberal rift, is perfectly feasible, other considerations must be borne in mind. For example:

- If Hernando Duran Dussan wins the primary with the people, Lloreda will have two advantages over his opponent. First, he is several years younger and can thus wage a much more aggressive and intensive campaign. And second, let us not forget that the Liberal "machine" behind Duran generally rests on its laurels once the congressional elections are over, as happened to Lopez in 1982. Remember the case of the Atlantic Coast (which is presumably strongly Liberal) and Belisario's landslide victory in the presidential elections back then.
- If Cesar Gaviria is the winner in the primary, Lloreda will no doubt launch a fiery offensive against him, making use of all the moral authority gained from his and his party's having been in the opposition in recent years. And he will be determined to step up such opposition during the last days of an administration whose support will be steadily eroding. In the face of such a threat Gaviria will hardly be able to counter the criticism, since he was an active member of this administration for three years. And the pendulum of public opinion will presumably swing towards Lloreda if this scenario arises.
- If Ernesto Samper wins the primary, he will immediately be compared unfavorably to Lloreda in the sense that Lloreda has already held all of the administrative posts that Samper is criticized for not having held: mayor of his city, governor of his department, minister, foreign minister, designate, and ambassador to Washington. Such a comparison will inevitably be unfavorable to the current head of the People's Government in the public's eyes.

On top of all this, I repeat, is the Conservative "incentive" to see a split among Liberals, plus two other considerations. One is that Lloreda in no way represents the shadow of the "terrible Conservative" to Liberals, and much less so to the younger generation. On the contrary, he is a typical product of the National Front. Say what you will, such therapy has for various reasons again come into vogue.

Two, it is not unlikely that most, if not all Conservatives will wind up rallying around this man from Valle...Not only does his candidacy fully represent the economic interests of his party as a whole (regardless of the traditional feud between the Pastrana and Alvaro Gomez factions), but the fact also is that one can hardly imagine Alvaro Gomez personally contesting what is already a political fact that is endorsed, moreover, by the only two living and active former Conservative presidents, Doctors Pastrana and Betancur.

So what does Lloreda need now to become president? A little bit of luck, helped along by the fact that the current administration is slowly but surely becoming more unpopular with the prospect of a Liberal rift and bolstered by the fact that no matter which Liberal candidate wins the primary, he will not be, as Barco was in 1986 and Lopez in 1974, a political steamroller, far from it.

Everything else is just finishing touches. You say that Lloreda lacks charisma? This is why he has hired a wise and bold adviser like Luis Alberto Moreno, the man who, behind the scenes, has created the personal image of Bogota's mayor, Andres Pastrana. And what a subtle and talented job he has done! Having Moreno on your political side is like a soccer team signing Maradona.

I am not saying that Rodrigo Lloreda Caicedo will be the next president of Colombia. But, playing the devil's advocate a bit, after this series of post-holiday reflections, I would not rule it out either....Moreover, he has been coming out with several "pointed" ideas that grab his public, like capital punishment during these times of violence and impunity.

Paraguay

Argana on Nicaraguan Relations, Debt Policy

PY0103155290 Asuncion HOY in Spanish
1 Mar 90 p 6

[Report by special correspondents]

[Text] Montevideo—Yesterday Foreign Minister Luis Maria Argana said that Paraguay will resume diplomatic relations with Nicaragua, where leader Violeta Chamorro was recently elected president. Asked about the possibility of resuming diplomatic relations with Nicaragua, Argana said: "I think it is possible." He added that we have not yet begun any negotiations because "it is too early. The lady has not yet taken power, and we still do not know what will happen in Nicaragua."

Argana said the result of the Nicaraguan elections is a positive fact that can help improve relations on the continent. "It was a surprising and apparently incredible result, which reveals the great power of the people when they are guaranteed free expression."

Commenting on General Rodriguez' visit to Uruguay to attend President Lacalle's inauguration, Argana said: "This is a significant visit because it is a presidential inauguration in which a democratic administration will transfer power to another democratic administration, and because there will be a Latin-American presidential summit in which the democratic future of Latin America and its development may be discussed."

Argana said: "This visit, which is significant, will be followed by a presidential summit in Chile within 10 days and in Brazil within 20 days." On those occasions, he added, the presidents will discuss many subjects.

Asked if at today's summit the presidents would discuss a common foreign debt policy, Argana said: "Each country's foreign debt has its own characteristics. Each country is negotiating its own foreign debt."

"The Paraguayan Government, for example, is successfully conducting foreign debt negotiations using a system that is quite good and appropriate to the country. Each country, each debt, has its own characteristics. The debt is not a continental package but a national one," Argana added.

Under Secretary of Mines, Energy Created

PY0103144690 Asuncion ULTIMA HORA in Spanish 27 Feb 90 p 11

[Excerpts] The executive branch has issued Decree No. 4945 creating the Under Secretariat of Mines and Energy, which will be subordinated to the Ministry of Public Works and Communication. The Under Secretariat will design and orient policy for the use and handling of mineral and energy resources. The new office will centralize work in the sector, thus avoiding duplication of effort and overlapping of functions. [passage omitted]

The Under Secretariat will have two directorates: Mineral Resources and Energy. [passage omitted]

Geologist Juan H. Palmieri has been designated under secretary of mines and energy. Palmieri began organizing the Under Secretariat at the end of 1989.

Peru

Economy Minister Denies Court Action by Banks

PY0103134890 Lima Television Peruana in Spanish 0000 GMT 1 Mar 90

[Excerpt] Economy Minister Cesar Vasquez Bazan emphatically denied FREDEMO [Democratic Front] Presidential Candidate Vargas Llosa's statement that the Committee of Creditor Banks of Peru [Comite de Bancos Acreedores del Peru] has filed a court action against the Peruvian Government.

Vasquez pointed out that this is a slanderous remark by the writer because foreign-debt negotiator Abel Salinas has achieved positive results [in the negotiations] with our creditors.

[Begin Vasquez recording] I believe a very serious campaign, a slanderous campaign, is under way in our country at this moment. This campaign is not aimed against the government, but against Peru, against the Peruvian nation.

Today we have read in several media the remarks by conservative candidate Vargas Llosa who claims, as if it were the most natural thing in the world, that Peru has been sued by 200 foreign banks.

This gentleman said this during a meeting with ADB [expansion unknown] leaders yesterday.

I must emphatically deny the so-called trial that this gentleman Vargas Llosa claims Peru is reportedly standing.

I must report that I, along with Engineer Salinas, the Peruvian foreign debt negotiator, have been negotiating with our international creditors over the past few weeks in order to leave the next government in the best position to make a decision; a decision that the next government deems to be most appropriate.

On 15 February we sent the first telex to our creditor banks. This telex was answered a few days later.

After a long, hard process of discussion and coordination of ideas, yesterday, 27 February, we sent a second fax abroad. In its original text, this fax, this document, was delivered to Dr. Noya, an attorney of the Echecopar Attorneys Office, who represents the creditor banks here in Peru. This document was delivered yesterday evening. It was also faxed to our creditor banks.

Therefore, there is no such trial. [passage omitted] [end recording]

Vargas Llosa, Fredemo Leading in Polls

PY2802154590 Madrid EFE in Spanish 0132 GMT 28 Feb 90

[Text] Lima, 27 Feb (EFE)—According to polls released in Lima today, the center-right Democratic Front (Fredemo) and its presidential candidate, writer Mario Vargas Llosa, are the apparent favorites of Peruvian voters.

A poll conducted by the private company "Datum" in the cities with the greatest number of voters was published today by the Lima newspaper EL COMERCIO. The poll, taken 40 days before the 8 April presidential and legislative elections, indicates that 43 percent of the votes will go to the novelist and Fredemo. The people were responding to this question: Which candidate and party or political group would you vote for if the elections were held tomorrow?

Luis Alva Castro, the candidate for the ruling American Popular Revolutionary Alliance (APRA), finished second in the poll with 15 percent of the votes, the same percentage assigned to his party. Alfonso Barrantes, a former Lima mayor, was third with 14 percent of the votes, while his political group, the Socialist Left (IS), received 11 percent. Henry Pease, the presidential candidate of the United Left (IU), a coalition of communist and socialist parties, received eight percent of the votes, three percentage points less than the support for his group.

A poll conducted by "Apoyo," another specialized private company, was published by the newspaper EXPRESO. This poll indicates that 44 percent of the voters prefer Vargas Llosa. The newspaper reports that the poll was conducted in Lima, Callao, and eight other cities in the country. The newspaper adds that Alva Castro was second with 13 percent of the vote, Barrantes third with 12 percent, and Pease fourth with nine percent.

Regarding congressional candidates, this poll indicates that Fredemo's candidates for the Senate and Chamber of Deputies are the favorites. Fredemo's candidates for the Senate received 42 percent of the vote and Fredemo's candidates for the Chamber of Deputies received 40 percent.

There are a total of nine Peruvian presidential candidates but these four represent the groups with the largest number of voters, out of a total of about 10 million, according to the National Election Board.

IU presidential candidate Henry Pease said at a rally in northern Peru that "the right should not believe that it is time for them to govern us." He added that his party "is the only alternative to overcome the crisis." Senator Gustavo Mohme, one of the IU's vice presidents, has described Vargas Llosa as an "imperialist agent and a representative of the native oligarchy."

APRA presidential candidate Luis Alva Castro has pointed out that the Fredemo will only manage to bring a further deterioration of Peru's social problems. The ruling-party candidate said that he does not trust the polls that indicate Vargas Llosa will win the elections, and he pointed out that the people actually prefer the APRA.

Shining Path Paints Slogans on Inca Fortress

PY2802174990 Madrid EFE in Spanish 0434 GMT 28 Feb 90

[Text] Lima, 27 Feb (EFE)—While the presidential and congressional candidates are engaged in their campaign propaganda, the Maoist "Shining Path" group is creating publicity against the Peruvian general elections scheduled for 8 April.

It was reported today that the Shining Path painted antielectoral slogans on about 100 large stones of the Inca fortress at Sacsahuaman near Cuzco, 1,000 km southeast of Lima. The hammer and sickle were painted in red on the largest stone of the fortress where the Inti Raymi, or Sun Festival, of the ancient Inca emperors is held every year. Praise for "President Gonzalo"—Shining Path founder Abimael Guzman Reynoso, the invisible mentor of the terrorist bands—was painted on other stones.

Oscar Nunez, president of the National Culture Institute (INC) office in Cusco has reported that the Shining Path arrived in Sacsahuaman in several pickup trucks and, after overpowering the guards, painted the monuments. Some 10 activists were involved in painting the antielectoral slogans. The paint is being erased with chemical products while police patrol the site which is visited by a good number of tourists every day.

* Private Sector Initiatives To Improve Economy

* Dialogue With Unions Sought

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[Interview with Confiep president Jorge Camet by Luis Pasara; place and date not given: "Opening Doors"—first paragraph is introduction]

[Text] A builder as well as an entrepreneur, Jorge Camet intends to be constructive as the new head of the National Confederation of Private Business (Confiep). In the following interview, he states that Peruvian businessmen are remaining in the country and, faced with the need to adapt to the economic readjustment, are willing to pay the price. While asking for laws to regulate trade union activity, the business leader says he plans a high-level dialogue between his sector and labor leaders, one of whose topics could be the subversive infiltration of businesses. Camet says that the business sector has only certain points of agreement with Fredemo [Democratic Front] and, to demonstrate that fact, tends to favor

a national accord heretofore rejected by Mario Vargas Llosa. Finally, he reveals that Confiep plans to administer a social welfare program.

[CARETAS] In Chile, a "shock" program somewhat similar to what Fredemo would produce in Peru would cause some 3,000 businesses to go bankrupt. How many do you think would go broke here?
[Camet] I do not have the slightest idea. It would depend to a great extent on what additional measures they take. I was in Chile, but could make no comparison because I do not know what preliminary measures must first be taken here.

[CARETAS] But we know what the package contains: deregulation of imports, a substantial tariff reduction, elimination of the Certex [export certificates]. Do you foresee a collapse of the private sector?
[Camet] The program to be put into effect here was announced sufficiently ahead of time. Consequently, it is up to us businessmen to adapt and even to discuss what I prefer to call the adjustment program with the candidates so we will be ready for whatever comes. That is intelligent and essential because any businessmen has to take precautions.

[CARETAS] But you have demanded "gradualism."
[Camet] There may be confusion in the interpretation of some reporters. I will tell you what I said.

[CARETAS] You said, "The opening process must be gradual and progressive."
[Camet] There must be deregulation of imports and exports and that is gradual and progressive. But I could not express an opinion if I were not an economist and if I did not first know Vargas Llosa's program in detail, because it is the most far-reaching in that sense. Tariffs can be lowered, but they have not said how far.

[CARETAS] Fredemo economists say that tariffs will be between 10 and 40 percent.
[Camet] But there is a huge difference between 10 and 40! Furthermore, we need the additional measures I mentioned. In Chile, for example, the whole trade union aspect was settled.

[CARETAS] "Settled" is a euphemism. They practically wiped out the unions.
[Camet] That is one way I am not proposing, but I am simply saying that they did in a way settle it. Here we urgently need some arrangement to regulate how trade union leaderships work. They are now permanent. I do not know if they have elections, but for years and years now they have had a politicized leadership. I think a trade union law should impose freedom to organize and make certain basic rules common to any associative entity. There must also be a strike law. Unfortunately, they have refused to even consider the issue for political reasons. That is not governing. To govern based on partisan interests is to try to avoid paying any political price. Peru cannot be built in that fashion. Nor will Peru be made by legislating through delegated powers.

[CARETAS] And yet, at the suggestion of Fernando Belaunde, Vargas Llosa announced that on 28 July, he will ask Congress for special powers to legislate....
[Camet] That is true. What I am saying is that they should not abuse delegated powers. It is essential that legislative powers be delegated to the elected candidate so that he may set the standards based on technical and economic studies.

[CARETAS] So that if Vargas Llosa wins, it would not be necessary to have the requirement that you asked for in your Confiep installation speech: "Government regulations and laws must be the result of a process, meditated upon, debated, and analyzed...." Does this not apply to the shock program?
[Camet] I have my own interpretation of the word "shock." For me, it is all called "adjustment." An adjustment may be slow and gradual or it may be short. Short adjustments are often called "shock" programs and that word frightens people. But if all variables are complementary and the whole program is tight, you would ideally carry it out within as short a time as possible because the adjustment will be followed by recovery. The slower the adjustment, the longer recovery will take.

[CARETAS] But beyond the adjustment, what do businessmen think the situation in the country will be like in 3 years, for example?
[Camet] What we businessmen—and all Peruvians—would like to see is for growth to have begun. Peru urgently needs sincerity and honesty, more unity among Peruvians, more reliability among politicians, and for everyone to share in paying the price.

[CARETAS] And how high of a price are businessmen willing to pay?
[Camet] Whatever is necessary. I do not like massive failures because they do not help businessmen or workers, but we are willing to pay the price we have to. All businessmen want to stay in Peru and here we are. And we are ready to pay whatever we have to pay if Peru is mended, put back on the right path, and we get it on an upward path for the good of everyone. In other words, if we have to go through bad times and make do, then we have to adapt if previously debated rules are put into practice and uniformly enforced by the government.

[CARETAS] You say that businessmen are willing to stay in Peru, but the behavior of a business sector is that of having one foot in and the other out. They take out all their profits and put them into businesses in other countries. This is a well-known fact making up the image of the businessman.
[Camet] I think businessmen left because they felt they were driven away. They were under attack from the unions and the government. They felt they had to leave. But look at my case: When there was a tremendous recession in construction, without leaving Peru I tried to do business in Miami and Venezuela, to do business there in order to keep the one here going. I think that many follow the same principle, but not 100 percent.

You can't even ask angels to be 100-percent perfect! There is a trend in the way businessmen think, but it is a process that will take years.

[CARETAS] You said, "We must stick together...incorporate an element of 'social profitability' into our economic decisions." What exactly does that mean?

[Camet] Our work is not simply a matter of generating wealth to be passed out. We occupy a privileged position, although I wish I had a different word so it would not be misinterpreted, and we have an obligation to look after those who have nothing. That is a basic principle of ethics and even survival. But I would add something you did not ask: Confiep will maintain a principle of total independence from partisan politics.

[CARETAS] But you are aware of the overall identification that exists between business as a whole and the Fredemo proposal. Whether a success or failure, a Fredemo government will be viewed as the businessmen's calling card. Does that worry you?

[Camet] There are those who agree with Fredemo, but that is all. It is not a matter of Vargas Llosa making a program for us or our influencing his program. Despite the points of agreement, the aspect of the period of adjustment has not been clarified by Fredemo or known to businessmen.

[CARETAS] I will mention another aspect of a possible lack of agreement: the national accord which Vargas Llosa denies and which one business sector seems to support.

[Camet] I think they are different aspects. Vargas Llosa is trying not to let himself be used by other political camps that are rejected by businessmen or the people who are tired of them all and want to hear the truth. Vargas Llosa is protecting himself from those who will say, "We made an agreement with Fredemo," in order to appear less dangerous or more palatable. But I think that Vargas Llosa must basically want the national agreement. At some point, perhaps after the elections, there will be some kind of agreement. At least I hope so.

[CARETAS] Do you favor such an agreement?

[Camet] I assume there will have to be one. Any agreement is difficult now because we have to proceed straightforwardly and truthfully, and that is always difficult when politicians get together!

[CARETAS] Let us move on to business, but let's not talk about coordination with a capital "C" because it has fallen into disfavor. In view of the adjustment, as you prefer to label the "shock," is agreement possible between business and the workers?

[Camet] Absolutely, with the workers.

[CARETAS] Is it possible?

[Camet] I don't know whether it is possible, but I am planning to bring a number of important businessmen and prominent labor leaders together soon in order to get a dialogue going at least. We have to work together, with the best possible relations, to make it easier when the hard times come.

[CARETAS] Some maintain that one possible subject on which both unions and business urgently agree is the need to halt the subversive infiltration of business. The trade unionists whom you criticize for being in their posts so long may share your interest on this matter.

[Camet] That is unquestionably true. The participation of civil society in the fight against terrorism has been offered, but not allowed.

[CARETAS] But for such an agreement, is the gap that has gradually been created between unions and business not too great? Montevideo EL DIA in Spanish 23 Feb 90 p 7

[Camet] I do not believe such a gap exists. Inasmuch as the unions are too politicized, they have kept a certain distance or have deliberately maintained a certain separation so as to maintain the class image: management and the workers.

[CARETAS] Do you not believe that the workers also believe that businessmen are too politicized, especially today, when they appear to be identified with Fredemoism?

[Camet] That may be, but I am not in Fredemo.

[CARETAS] It is just like when you accused trade union leaders of being communists. Not all are. I wonder how one can remedy these gaps.

[Camet] Through dialogue. By sitting down at a table and discussing things. They say, "You are with Fredemo," and we will explain that we are not. We will say, "You are communists," and hear their explanation. There is no other way. I want to get that dialogue going as soon as possible, but there has to be a receptive attitude on the other side.

[CARETAS] A few days ago, a Fredemo economist, Raul Salazar, revealed that the social welfare program they plan would be financed through World Bank funds turned over to the Peruvian private sector. Will Confiep play a role in this?

[Camet] Confiep would very much like to participate in the administration of the social welfare program, perhaps managing it, given our experience in business. We had Fernando Romero here, the man who handled this type of program in Bolivia, and it was extremely interesting to learn from others' experiences and mistakes. The Church must also be involved in this, with its authority, independence, and organization. But the government must not handle it because it is not a matter of handling such resources bureaucratically. In Bolivia, a program of $150 million was handled by a team of 100 persons.

[CARETAS] Are you willing to play a leading role?

[Camet] Absolutely. Confiep people are working on this and we are ready to undertake this administrative work as our support for the next government, whoever it may be.